

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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What will become of post-Ayatollah Iran? Page 16

World News Business Summary

## Former PM Hanson to sell US cement unit for \$195m

Malaysia's first prime minister, Tunku Abdul Rahman, demanded the resignation of Prime Minister Mahathir Mohamad and announced a plan to revive the ruling Umno party, declared illegal by the High Court last week. Page 18

**Nato call attacked**  
Soviet Defence Minister Dmitri Yazov criticised calls to build up Nato forces to compensate for the removal of US nuclear missiles from Europe and urged sharp cuts in what he said were equivalent conventional forces. Page 2

**US-Panama probe**  
A Senate Foreign Relations subcommittee opened hearings on Panama which were expected to detail close ties between US government agencies and international drug cartels. Page 4

**Soviet funds low**  
Soviet workers' pay increases and industry's failure to meet its financial targets had led to a shortfall in state funds and the late payment of workers' salaries, the head of the State Bank's money circulation department said.

**Murdoch Post threat**  
New York Post publisher Rupert Murdoch threatened to close the newspaper in less than two weeks unless unions agreed to a 12 per cent pay cut so that he could sell it to property developer Peter Kalikow. Page 19

**AIDS victims deported**  
South Africa had started deporting up to 1,000 black migrant workers who were carrying the AIDS virus, Health Minister Willie van Niekerk said.

**Swedish strike ends**  
More than 9,000 Swedish white-collar technicians and electrical workers returned to work after a three-week strike over pay which halted production at leading export companies and cost industry about SKr16bn (\$2.7bn). Page 3

**Philippines toll**  
Communist guerrillas killed a government official in Manila and 11 other people died in a series of provincial attacks.

**Minister ignites**  
Australian Immigration Minister Mick Young resigned from parliament in a political row involving a donation to the ruling Labour Party. Hawke's woes, Page 3

**Mafia trial ends**  
A year-long trial of Mafia gangsters ended in Milan with 13 defendants sentenced to life imprisonment and 86 others jailed for crimes including extortion, drugs trafficking and murder.

**Seoul leader resigns**  
South Korean opposition leader Kim Young Sam surprised his followers and the public by announcing his resignation as chief of the country's largest opposition party. Page 18

**W German air crash**  
Twenty-one people were killed when a West German commuter aircraft crashed near Muenheim after flying into a storm. Page 2

**Barre for presidency**  
Former Prime Minister Raymond Barre announced he would be a candidate in French presidential elections due to be held in April and May. Page 2

**Cardboard constables**  
Danish police said they were using cardboard cut-out policemen to discourage speeding drivers - with the result that offences had dropped by a third.

## Waldheim shrugs off pressure of war record report

MR KURT WALDHEIM indicated last night that he intended to stay on as Austrian President despite a critical report about his wartime past, writes Judy Dempsey in Vienna. But the report by a commission of historians is expected to raise powerful questions about Mr Waldheim's future. The commission investigating his war record found that he knew about war crimes, although it did not find that he committed any. In a confident appearance on television last night, Mr Waldheim said the commission showed that he was not personally guilty of crimes. "Knowledge is not a crime," he added. Indicating his determination to stay in office, he said the report had "no consequences" for him. Mr Franz Vranitzky, the Austrian chancellor, on the other hand appeared worried in a television interview, and when asked whether the historians' report would end discussion about Mr Waldheim's wartime past, he replied bluntly: "No." The television appearances of the Austrian leaders climaxed a day marked by a bizarre series of cancelled meetings, wildly conflicting rumours and chaotic scenes in Austria's corridors of power. The eminent historians' 200-

page report, which was commissioned by the Austrian government and took five months to complete, was delivered yesterday to Mr Vranitzky amid widespread suggestions that the contents had been doctored at the last moment under government pressure. Mr Vranitzky, who cancelled a late afternoon press conference without explanation as hundreds of journalists milled about his offices, said of the document: "He (Mr Waldheim) is not accused of any personal guilt, but there are very critical elements in the report about his activities." It was too early to assess the document's political consequences, the Chancellor added, enigmatically. Mr Hans Rudolf Kurz, chairman of the commission, said Mr Waldheim, a former UN Secretary-General, was in a "central" position during his war service in Yugoslavia and Greece and that "he knew a lot". Mr Manfred Messerschmidt, a West German member of the commission, said Mr Waldheim had knowledge of atrocities in his capacity as an intelligence officer. He denied that he might vindicate him, although the historians' report has still not been made public, leaks indicate that it is more critical of Mr Waldheim than anticipated. Report reaction, Page 2

## EC attacks Israel over 'repressive measures' in Gaza

By David Buchan in Bonn  
THE TWELVE European Community member states yesterday delivered their most strongly worded condemnation so far of Israel's "repressive measures" to quell rising Palestinian unrest on the West Bank and Gaza Strip. They called for the convening "as early as possible" of an international peace conference and "in that perspective" welcomed all recent efforts - notably by the US and Egypt acting separately - to get some negotiations going. The EC condemnation comes after some of the worst scenes of violence in the two months of unrest in the occupied territories. On Sunday, a 15-year-old Palestinian boy became the first to die incontrovertibly as a result of the beatings policy ordered by Mr Yitzhak Rabin, the Defence Minister. A key thrust of the joint declaration by the Community's 12 foreign ministers was to remind the US of its "wide support" among Arab countries as well as in Europe, for an international peace conference. It stressed the need for Washington not to lose sight of this support in its current attempt to start initially more limited negotiations in the region, dictated by the political constraints of a US election. The Bonn declaration reflected the ministers' earlier meeting yesterday with King Hussein of Jordan, who had flown to Bonn to support an international conference. He called on Europe to help at this "critical juncture." King Hussein warned the European ministers "of the powers of darkness which threaten the entire region." However, the Community ministers were by no means dismissive of the new negotiating efforts by Mr Richard Murphy, the US Assistant Secretary for Middle East Affairs. Sir Geoffrey Howe, the UK Foreign Secretary and one of the few European ministers to be briefed personally by Mr Murphy, said it was impossible to tell "how Mr Murphy might move things forward" until the US official's recent discussions. The Middle East discussions and the meeting with King Hussein dominated the European Political Co-operation meeting. The ministers also discussed South Africa and Central America, and made a call for what Mr Hans-Dietrich Genscher, the West German Foreign Minister chairing the meeting, described as "a swift conclusion with substantive results" to the Conference on European Security and Co-operation in Vienna. Palestinian death, Page 3; Editorial comment, Page 16

## Ford to lay off 2,500 Belgian workers as UK strike takes grip

BY CHARLES LEADBEATER IN LONDON  
THE STRIKE by Ford Motor Company's 32,500 manual workers in Britain which yesterday shut its UK plants, will today seriously disrupt the company's European operations. The strike, which was supported unanimously even at plants which last week voted to accept the company's radical three-year wage offer, provoked angry exchanges in the British Parliament and unsettled the City of London. The Ford dispute strike is the latest in a wave of labour unrest involving nurses, seamen and miners that has plagued Britain in recent weeks. With Ford's UK operations losing production of 2,500 vehicles a day, worth £17m (about \$30m) at showroom prices, 2,500 workers at Ford's plant at Genk, Belgium will be laid off today. The plant's Transition production line, which produces 270 vans a day, will be halted because the strike has stopped the supply of 2.5 litre diesel engines from Ford's plant at Dagenham in the UK. Ford's smaller UK components suppliers could be seriously affected if the strike continues. The company said dealers had reasonably healthy stocks, although these had been affected by a combination of unofficial stoppages before Christmas and stronger than expected demand. The strike, the first at the company since an eight week stoppage almost 10 years ago, follows the breakdown of talks on Friday over the company's three-year wage offer. Manual workers rejected the offer by 15,089 votes to 9,477 in ballots last week. The offer, which was subsequently withdrawn by the company, would have increased basic pay rates by 7 per cent in 1987-88, with rises in the following years worth 2.5 per cent more than the inflation rate. The company also proposed far-reaching changes to working practices including the establishment of shop-floor work teams, led by group leaders, in which for the first time there would be a measure of interchangeability between skilled and unskilled workers. Continued on Page 18



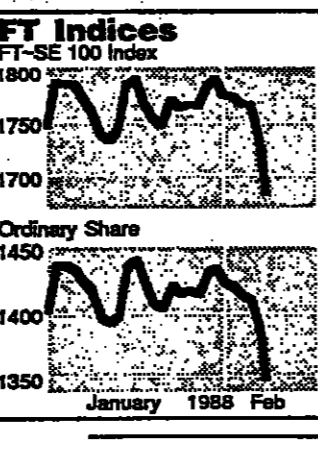
British junior foreign office minister Timothy Eggar greets Afghan refugees in a camp in north-west Pakistan yesterday. He told them Britain must back the Afghan rebels "until the last Soviet soldier leaves Afghanistan".

## Gorbachev positive on Afghan pull-out

BY CHARLES HODGSON IN MOSCOW AND JOHN ELLIOTT IN ISLAMABAD  
MR MIKHAIL GORBACHEV, Soviet leader, announced last night that Soviet troops would begin a complete withdrawal from Afghanistan on May 15 if agreement was reached at UN sponsored peace talks in Geneva by March 15. The announcement was welcomed by the US. "It sounds like a positive step, and we hope it is, but we need to see the fine print," said Mr Martin Fitzwater, the White House spokesman. Mr Gorbachev said that withdrawal of the 115,000 Soviet troops could be completed within 10 months. It could involve pulling out "a relatively greater proportion of the Soviet contingent" in the first phase, he added. This comment is crucial because Pakistan and the US have always insisted that large amounts of key equipment and strategically placed battalions must leave first. Continued on Page 18

## LABOUR UNREST UNSETTLES MARKETS

BY SIMON HOLBERTON IN LONDON  
SHARE prices in London fell sharply yesterday as speculation of an imminent rise in borrowing costs and attributed the price falls in the equity and gilt-edged markets to the City feeding on fear generated by the speculation on interest rates. While avoiding direct comment on the outlook for base rates, the Treasury and the Bank of England, however, sought to play down the possibility of an imminent rise in borrowing costs and attributed the price falls in the equity and gilt-edged markets to the City feeding on fear generated by the speculation on interest rates. While avoiding direct comment on the outlook for base rates, the Treasury and the Bank made it clear they thought nothing had changed since interest rates. Continued on Page 18



## La Générale shares in hectic trading on eve of court ruling

BY TIM DICKSON IN BRUSSELS AND JOHN WYLES IN ROME  
A RECORD 12 per cent of the shares in Société Générale de Belgique changed hands yesterday as participants in Belgium's biggest ever bid battle braced themselves for a key legal judgment due today. Among other developments on a day of growing tension, Mr Andre Laysen, the Flemish businessman, who is a leading challenger to the ambitions of Mr Carlo De Benedetti, the Italian entrepreneur, claimed that he headed a group of investors which now controls more than 25 per cent of La Générale's existing share capital. This includes Laysen, a new Flemish commercial bank, which also indicated a determination to influence the future strategy of Belgium's most powerful business institution. The outcome of what has been an absorbing three week struggle for La Générale appeared even more uncertain after yesterday's hectic Bourse trading. A total of 3.4m shares were exchanged as the company's share price leapt more than 15 per cent to Bfr4360 (\$124), having touched Bfr4420. The source of the buying was not clear, but analysts confirmed last night that "friends" of all the participants were probably involved and that most of La Générale's shares were now in one or other of the major "camps." These belong to Mr De Benedetti, who already directly or indirectly controls 18.6 per cent and wants to make a partial offer for 15 per cent of the rest; Compagnie Financière de Suez, the recently privatised Paris-based financial group which has disclosed a 10 per cent stake, but whose allies are thought to speak for considerably more; and Mr Laysen, president of Gevaert, the financial holding company, who first shot to prominence in the current saga at the head of a group of institutions with an option to buy at least 10m of the 12m new shares which La Générale wants to issue to dilute Mr De Benedetti's stake. At a press conference in Brussels yesterday, Mr Laysen announced that a further five shareholders in La Générale - including Laysen, the brewery group Artois and AG, the major insurance concern - supported his aims and, together with him, this makes 27.5 per cent. Today's crucial court decision concerns the legality of La Générale's proposed share issue. Mr Laysen says that, if it goes in his favour, his group would control almost 50 per cent of La Générale's capital. The De Benedetti group yesterday launched an extraordinarily bitter attack on what it described as mercenaries who had rallied to the defence of the La Générale management with neither a clear strategy nor an industrial vocation.

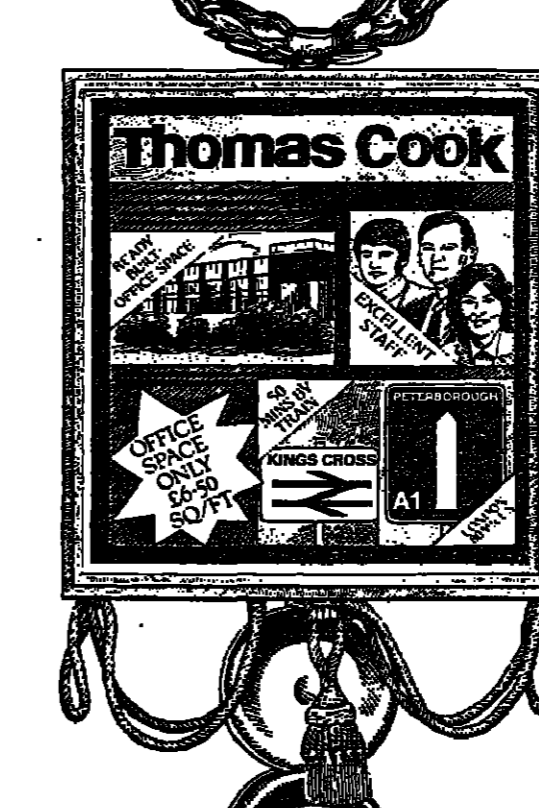
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**AUSTRALIAN LABOR PARTY DOGGED BY CABINET RESIGNATIONS**  
Prime Minister Bob Hawke is fielding accusations that his party is disintegrating. Page 3

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## ONE TRIP TO PETERBOROUGH SAVED THIS TRAVEL COMPANY OVER £3 MILLION LAST YEAR.



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EUROPEAN NEWS

Moscow attacks call to build up Nato forces

THE SOVIET defence minister, Gen Dmitri Yazov, yesterday criticised calls to build up Nato forces to compensate for the removal of US nuclear missiles from Europe and urged sharp cuts in what he said were equivalent conventional forces...

Western diplomatic sources said his article in the Communist Party newspaper Pravda represented a slight update of the Soviet Union's figures on both sides of the arms race but otherwise served to restate the Soviet view that Nato and Warsaw Pact nuclear and conventional forces were equivalent...

Freedom likely for E German activist

EAST GERMANY is expected to free Mrs Vera Wollenberger, a founder of the opposition Grass Roots (Protestant) Church and the only civil rights activist remaining in prison after last month's attempt to bring new US nuclear forces into East Germany...

Fiat executive refuses to lead Confindustria

MR CESARE ROMITI, managing director of the Fiat Group, yesterday rejected appeals from Italian business leaders and refused nomination as the next president of Confindustria...

Sweden's unions learn to flex their muscles

SWEDEN WAS once considered capable of sorting out its labour problems in a relatively amicable fashion. That is no longer true. As Mr Pehr Gyllenhammar, the country's leading industrialist and the chairman of Volvo, has been forced to remark: Sweden has joined Britain in the strike league...



Waldheim: abandoned quest for third term

OUR UN CORRESPONDENT REPORTS ON REACTIONS TO THE WALDHEIM REPORT

UN left relieved but puzzled

AT THE United Nations, the principal reaction to the submission of the International Historians' report was a continuing sense of relief that the revelations about Mr Waldheim have come out long after the completion of his two five-year terms as the Secretary General...

What continues to intrigue UN delegates is the apparent lack of information about Mr Waldheim's background when he entered the race for Secretary General...

Hijack suspect indicted

SUSPECTED Lebanese terrorist Mohammed Ali Hamadi, wanted by US officials on charges of air piracy and murder in a 1985 TWA hijacking, was indicted yesterday by West German prosecutors on the same counts, AP reports from Frankfurt...

Barre wags finger at opponent Chirac

MR RAYMOND BARRE, who as Prime Minister applied an austere economic policy and was seemingly oblivious to its unpopular consequences, declared himself a candidate for the French presidency yesterday...



Barre unpopular as Premier

tem, whose errors and failures you cannot forget, then after the retreat would come the decline...

Greek conservatives suffer party crisis

FROM questions which had begun to multiply by the end of last week regarding Prime Minister Andreas Papandreu's handling of the January 30 summit with Mr Turgut Ozal, the Turkish Prime Minister, in Davos...

Ankara decree 'not to be retroactive'

THE Ankara Government's decision to scrap a 29-year-old decree that effectively froze the property rights of Greeks in Turkey will not have retroactive effect, Turkish officials said yesterday...

Hungary reduces hard currency deficit

ECONOMICALLY hard-pressed Hungary reduced its balance of payments deficit in hard currency last year by \$500m to \$900m and expects to slash the deficit further this year to \$500m...

Yugoslavs on bribery charge

BRIBERY charges have been brought against the main defendant in Yugoslavia's biggest financial scandal, a Belgrade newspaper said yesterday...

Technical and clerical staff end wage strike

MORE THAN 90,000 Swedish white-collar technical and clerical employees returned to work yesterday after a three-week strike over pay which halted production at leading export companies and cost industry about SKr15bn (\$1.5bn)...

Sara Webb on the damage done to the country's reputation on labour relations

This has led employers to suggest that there should be a link between the right to strike and its economic consequences, so that damage on this scale is avoided in future...

Poll shows more support for Haughey

SUPPORT is growing for Mr Charles Haughey, the Irish Prime Minister, and his governing Fianna Fail party despite a tough January budget and an austerity programme that has cut public spending over the past year by £800m (\$714m)...

UN call for anti-drugs measures

THE chairman of a UN conference on drug-trafficking called yesterday for a cessation of war on the multi-billion dollar narcotics trade, Western reports from Vienna...

Yugoslavs on bribery charge

BRIBERY charges have been brought against the main defendant in Yugoslavia's biggest financial scandal, a Belgrade newspaper said yesterday...

Technical and clerical staff end wage strike

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# Gaza violence flares at funeral of Palestinian

BY ANDREW WHITLEY IN JERUSALEM

A 15-YEAR-OLD Palestinian schoolboy, Iyyad Mohammed Aqel, from the Bureil refugee camp in the Gaza Strip, was buried yesterday after being taken from his home and beaten to death on Sunday night by Israeli soldiers. His 18-year-old cousin, abducted at the same time, is in hospital with a broken arm.

During angry demonstrations which accompanied the teenager's funeral, troops shot and injured four people - including an 11-year-old girl - in Bureil and the neighbouring refugee camp of Nusseirat.

In the doleful, daily litany of casualties, Iyyad Aqel's gruesome end will be notable for two reasons. He was the first to die incontrovertibly as a result of the beatings policy ordered by Mr Yitzhak Rabin, the Defence Minister, three days ago and, with his death, the toll from the two-month-long uprising reached 50.

In a separate, more obscure, incident yesterday a 25-year-old Palestinian died after being shot in the head apparently by an Israeli civilian - in the West Bank village of Kfar Kadumim, near Nabulus.

Beater in Jerusalem adds: There were fierce clashes in Arab East Jerusalem. Two policemen were injured in the Sliwan district when Arab youths set fire to a delivery



Rabin: Beatings policy

van that police had commandeered and camouflaged as a bakery van, witnesses said.

A general strike called by a clandestine "Unified Leadership of the Uprising" was widely observed yesterday with very few Arab labourers leaving the West Bank and Gaza Strip for their jobs in Israel.

Defence Minister Yitzhak Rabin ordered troops last month to beat rioters instead of shoot them after worldwide condemnation of Israel's use of force to crush Arab unrest.

But troops have increasingly resorted to live ammunition again in the last week.

Foreign Minister Shimon Peres said there was no military solution to the unrest in the occupied territories because Israel was limited by moral constraints.

"We have limitations on how to deal with stone-throwers, limitations that we placed upon ourselves because we do not want to be human animals," he said.

Police used tear gas to disperse stone-throwing youths at Herod's Gate to the Old City of Jerusalem and two Israeli youths were lightly injured.

Unrest was reported in several outlying Arab villages as the uprising spread to areas normally remote from any political agitation.

# Third minister to leave in two months, Chris Sherwell reports

## Resignation adds to Hawke's woes

A SENIOR Cabinet minister in Australia's Government unexpectedly resigned his post and parliamentary seat yesterday, adding to the ruling Labor party's list of political woes.

Mr Mick Young, Minister for Immigration and Ethnic Affairs, announced his abrupt move in the wake of a blazing controversy last week over a company's A\$10,000 (£4,040) contribution to Labor party funds.

The resignation was a surprise because his protestations of innocence had been strongly supported by other party officials involved. But the intense publicity surrounding the affair - a powerful reminder of the heat generated in domestic Australian politics - has evidently upset him.

Mr Bob Hawke, the Prime Minister, resisted Mr Young's move unsuccessfully, and later called his departure "an immeasurable loss".

The 51-year-old former shearer is the third minister to leave office in two months. A frustrated Sen Susan Ryan resigned for a publishing job in December, while Mr John Brown, Minister of Tourism, the Arts, the Environment and Sport, departed under a cloud after misleading parliament over the award of a contract for the Expo '88 fair.

The move means Labor must face another by-election in South Australia, where the party suffered a crushing defeat by the opposition Liberals last weekend. The loss of



Hawke: Worrying sign of weakness

the safe seat of Adelaide was Labor's first electoral defeat since being re-elected to a historic third successive term last July.

Both parties acknowledge that the outcome in Adelaide was not significantly influenced by the Young allegations. They say it was determined on the single issue of Australia Telecom's proposal to make the user pay by billing local telephone calls according to time instead of levying a single basic charge.

But Mr Hawke, having backed the time-charge plan, has since abandoned it, and this is being widely interpreted as a worrying sign of weakness on fundamental micro-economic reform, which Mr Hawke has made the cornerstone of his third term.

At stake is a planned programme of privatisation of capital-short public sector agencies, deregulation of transport and telecommunications, tax reform, cuts in protective tariffs and changes to the education system.

The departure of the experienced Mr Young, who last year was being tipped as a future deputy prime minister, is also another gloomy omen for Labor's chances in the forthcoming New South Wales state election, due in March.

Mr John Howard, the Liberal leader nationally, was jubilant yesterday over his opponents' problems. "It indicates a crumbling and disintegrating tendency in Labor," he declared.

Mr Nick Greiner, Liberal leader in New South Wales, said Mr Young's resignation showed Labor's right-wing machine, which dominates the party, was cracking under pressure.

In a statement announcing his move, Mr Young said there was "no hidden agenda" surrounding his resignation. He repeated his innocence, which had been "publicly demonstrated", of any wrongdoing over the campaign donation.

The A\$10,000 donation came from woodchip company Harris Dalshowa, which gave a similar sum to the Liberals. It was intended for the party's election campaign last July.

But last week, in what was hardly a coincidence, it emerged that Labor had failed to disclose the donation. The money had instead gone to the administration fund, for which disclosure is unnecessary.

Mr Young, as the federal party president and the man who had received the cheque, said he had given it to Mr Stephen Loosley, a key New South Wales party official.

As a police investigation was mounted, Mr Young came under heavy attack from his opponents and the media. After days of heated controversy, Mr Loosley unearthed the company's letter confirming the purpose of the donation in his office, indicating it was Mr Loosley who had misdirected the funds. The money has since been returned to Harris Dalshowa.

Mr Young said yesterday he had always taken the good with the bad when it came to Australia's free press. "However, I feel that last week's coverage of my role in the donation to the Labor party was journalistic overkill."

The controversy was the third to involve Mr Young since Labor came to office in 1983. The first was his disclosure to a friend that a Soviet diplomat was to be expelled. The second involved an incorrect customs declaration.

Mr Young leaves government with a high reputation as a parliamentary tactician and electoral strategist. He helped Mr Gough Whitlam win power in 1972.

An MP since 1974, his departure deprives both the Government and the House of one of their more colourful figures.

# UK assails seizure of lorries

By Robert Mauthner, Diplomatic Correspondent

THE BRITISH Government yesterday protested in the "strongest terms" to Sudan over the requisitioning by the Sudanese army of Oxfam relief lorries.

Mr Chris Patten, the Overseas Development Minister, said he had received information that seven lorries were commandeered by the army as they were distributing food to the famine-stricken southern Sudan region. They were part of a batch of 20 vehicles provided by the British Government at a cost of £400,000 from its disaster fund.

Mr Patten said that the British Ambassador in Khartoum had delivered the protest to the Sudanese Ministry of Defence yesterday and had demanded immediate release of the lorries. "We will put the maximum pressure on the Sudanese Government," Mr Patten said in a radio interview. "The British taxpayer has been extremely generous to Sudan." In a thinly-veiled threat that Britain might cut off its aid to Sudan if it did not receive satisfaction, Mr Patten said that it would be hard to explain to British taxpayers "why we should continue to be so generous when there are these problems."

Since the famine in Sudan started in November 1984, Britain has given £37m worth of aid to Sudan.

# Israeli right considers ending of Arab vote

BY EDWARD MORTIMER, RECENTLY IN JERUSALEM

SHOULD ARABS be allowed to choose the Prime Minister of a Jewish state? This question is increasingly asked by right-wing Israelis, who have noticed that the electoral weight of Israel's 320,000 Arab voters is enough to tip the delicately poised balance of Israeli politics in favour of the left.

If the vote were restricted - as Mr Ariel Sharon, the former Defence Minister, has proposed - to those parts of the population liable for military service, the Likud block and its allies on the right would enjoy a comfortable and quasi-permanent parliamentary majority. But the Arab vote, nearly 30 per cent of which went to competing parties in the 1984 general election, gives a slight advantage to the left.

Not since 1977 has this produced a left-wing government, because the left split. In 1984, 32 per cent of the Arab vote went to the Communist-led Front for Democracy and Equality, and another 18 per cent to the "Progressive List for Peace" (PLP), which is to all intents and purposes an Arab nationalist party.

A coalition between either of those groups and the Labour party is very hard to imagine, but at least they are unlikely to side with its opponents. In the last election, 24 per cent of the Arab vote went directly to the joint list put up by Labour and the left-wing Zionist party Mapam, 6 per cent to the list of General Ezer Weizman, who has since joined Labour, and another 6 per cent to the centre-left party Shinui. Without these votes Labour could not have imposed itself as equal partner with Likud in the National Unity Government, still less obtained the prime ministership for the first two years of the government's term.

Until two months ago Labour was widely expected to improve its share of the Arab vote in the election due later this year, thanks mainly to Gen Weizman, whose doveish views are popular with Arabs, and who during the 1984-86 premiership of Mr Shimon Peres was able to make some concessions to Arab domestic interests, notably the return to Arab owners of land formerly confiscated by the army.

But the "uprising" in the occupied territories and the army's violent reaction to it under Mr Yitzhak Rabin, the Labour Defence Minister, have changed all that. Arab anger at the government's repressive policies found eloquent expression at a demonstration in Nazareth on January 23, during which Labour's only Arab member of parliament, Mr Abdul Wahhab Darausha, dramatically announced his resignation from the party, calling Mr Rabin a "murderer".

The gesture made Mr Darausha, at least momentarily, an Arab hero. He has called on Labour's 9,000 Arab members to join him, and apparently intends to form a new party of his own. But some Arab con-

mentators in Nazareth doubt whether he has the organising ability to make a success of this and suspect that the long-term beneficiaries of his action may be the Communists, who have a good track record of patient organisation and control some two-fifths of the Arab municipalities.

All shades of Israeli opinion were impressed by the success of the one-day general strike by Arabs on December 21 ("Peace Day") which marked the climax of the first phase of the uprising. It was followed with virtual unanimity both by Israeli Arabs and by those of the territories themselves, and led some Arabs to hope that the different factions might coalesce into a single group for this year's elections. But the antagonism between the Communists and the PLP runs so deep that this seems very unlikely.

Mr Emilie Habibi, editor of the Communist party daily Al Izzah, describes the PLP as "very reactionary" and accuses it of "manoeuvring to unite with the Islamic trend," while the PLP accuses the Communists of refusing to recognise the Palestinian identity of Israel's Arabs.

But Mr Habibi also rejects the idea of "an Arab party or Arab list" on principle, "because we do not want to be put in a political ghetto. Without the Jewish democratic forces in Israel there can be no progress and no peace."

This did not, he pointed out, prevent Arab members of parliament and local council chairmen belonging to different parties from co-operating on matters of common interest, as they did in calling the demonstrations of December 21 and January 23 and in a number of other initiatives over the last two years or so. Moreover, under Israel's extreme form of proportional representation it is sometimes possible for small parties to win more seats by campaigning separately than by forming a common list.

To Israeli Jews the Peace Day strike, accompanied by violence even in some villages with a long tradition of friendship towards Jews, came as a considerable shock. Mr Habibi says he did not at first understand why, since it was by no means the first Arab general strike in the history of the state. Then he reached the conclusion that "they were afraid of developing the fact that we are a democratic, active part of the general public opinion of Israel: we forced them to understand that they have to reckon not only with right-wing parties and elements in Israel but they have also to take into consideration a 700,000-strong democratic force [i.e. the Arabs] which makes up more than 17 per cent of Israel's public opinion."

"We're convinced," he concludes, speaking on this point for the great majority of Israel's Arab citizens "that for the benefit of our people there is no other solution but the two-state solution."

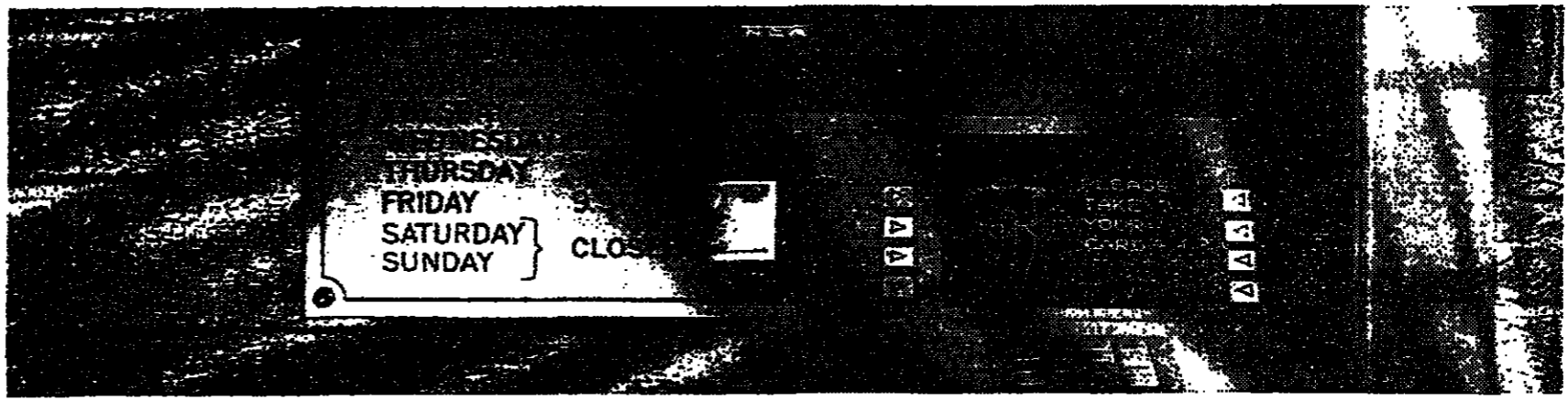
# N African leaders meet

COL Muammar Gaddafi, the Libyan leader, and President Chadli Bendjedid of Algeria arrived in Tunisia yesterday for a meeting with President Zine El Abidine Ben Ali, as part of efforts to bring about a regional political accord, AP reports from Tunis.

Mr Ben Ali welcomed the two leaders at Sidi Youssef, 124 miles west of Tunis, where they were to take part in ceremonies to mark the 30th anniversary of the bombardment of the town during the French-Algerian War.

Col Gaddafi had not been scheduled to participate in the ceremonies, symbolising Tunisian-Algerian solidarity. His presence was believed to emphasise the recent normalisation of relations between Tunisia and Libya.

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AMERICAN NEWS

Lionel Barber on a front-runner among the cocktail snacks As Iowa votes, Bush tails off

ROXANNE, the blonde advance-person for Vice President George Bush, poked her head round the garage door and beckoned to the assembled television camera crews: "OK, you can come on up now."

ELEVEN presidential candidates were yesterday harnessed across the mid-western farm state of Iowa before the first major test of the 1988 election campaign, Stewart Fleming reports from Des Moines.

which the candidates' prospects of winning their party's presidential nomination will be measured. In spite of polls showing that Senator Robert Dole is a clear frontrunner in Iowa...



US Vice President George Bush on the Iowa campaign trail

Senate to probe US-Panama drug trade links

BY NANCY DUNNE IN WASHINGTON

A SENATE Foreign Relations subcommittee yesterday opened hearings on Panama which are expected to detail the close ties between US government agencies and international drug cartels.

Argentinian provinces face financial crisis

BY TIM COONE IN BUENOS AIRES

SEVERAL of Argentina's 23 provinces are facing serious financial difficulties as a result of central government budget cuts and continuing disagreement over the mechanisms of financing local government.

Mexico broadens foreign policy planning

BY DAVID GARDNER IN MEXICO CITY

MEXICO is signalling a new approach to the development of foreign policy, for the first time directly involving top officials from the economic ministries, the banks, and the leading public sector companies.

national fighting in their national parliament. Mr Bush's problem is that he does indeed find it difficult to speak to the common man. His sentences bristle with a mixture of what might be called British public schoolboy humour and government-speak, talling off in the often misguided expectancy that the listener will pick up the gist.

Contras cast doubts over talks with Sandinistas

BY OUR FOREIGN STAFF

DOUBTS WERE raised yesterday over a scheduled meeting between Nicaraguan government and rebel representatives of the Contras rebels due to be held in Guatemala City tomorrow.

Taiwan starts seeking ways to rejoin Gatt

BY BOB KING IN TAIPEI

TAIWAN has begun seeking ways to rejoin the General Agreement on Trade and Tariffs (Gatt), at the same time as drastically slashing tariffs on most imports and starting to draft a plan to have its trade surpluses over the next five years.

Bae likely to sign Daewoo deal soon

By Maggie Ford in Seoul

BRITISH Aerospace is expected shortly to sign a \$240m deal with Daewoo, one of South Korea's top four companies, to produce parts for the European Airbus.

John Murray Brown reports on non-recourse financing for a new-LNG facility Indonesia's cheque book stays out of sight

PERTAMINA, Indonesia's state oil company, and Industrial Bank of Japan are expected to agree terms this week on a complex loan financing.

He might also have mentioned the battle between US and European banks, long considered the best and perhaps only way to win business in Indonesia.

funded 80 per cent, with a 23-bank syndicate and 7 insurance companies covering the balance for what was the first ever yen-denominated project loan made available in dollars.

Singapore takes firm line on US trade move

SINGAPORE will not revalue its currency to retrieve the Generalised System of Preferences status which the US withdrew last month, Mr Richard Hu, Finance Minister, said, Reuters reports from Singapore.

HK's tourism earnings soar by more than 42%

BY DAVID DODWELL IN HONG KONG

HONG KONG'S earnings from tourism soared by more than 42 per cent last year to HK\$25.4bn (\$1.8bn) as the total of tourists visiting the territory rose by almost 21 per cent to 4.6m.

BT takes Japan telecom stake

BY DAVID THOMAS

BRITISH Telecom has boosted its presence in Japan by taking a stake in a consortium set up to contest Japan's newly liberalised international telecommunications business.

Toyota in Philippines venture

BY RICHARD GOURLAY IN MANILA

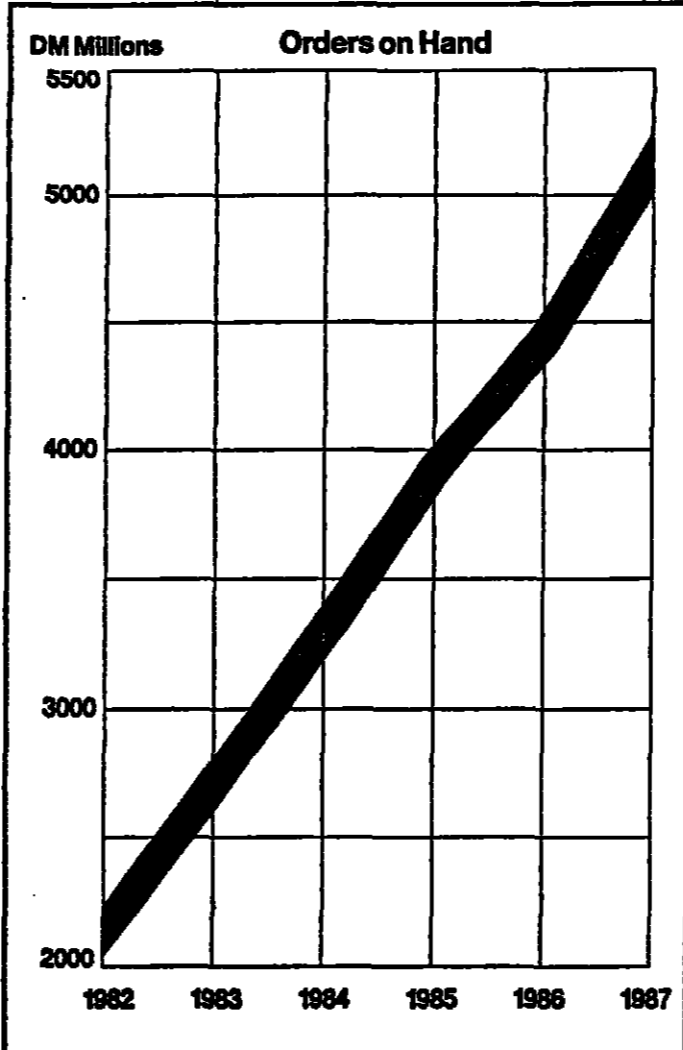
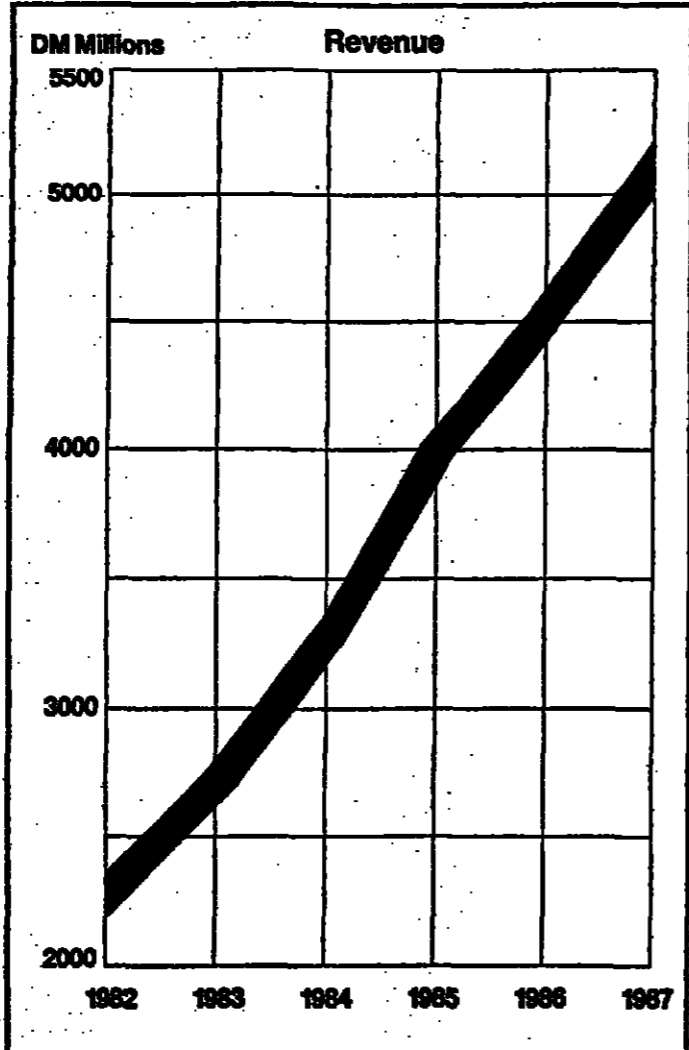
TOYOTA of Japan has applied to become the third assembler of cars in the Philippines under a government scheme renewed by President Corazon Aquino last December that allows only three manufacturers.

Handwritten Arabic text at the bottom of the page.

# Once again, our lines align

**Revenue: Up 13 Percent Sustained Growth**

Nixdorf maintained its consistent pattern of growth in 1987, raising revenue by 13 percent through further expansion in both the German and international markets. The revenue increase from international business alone was eight percent, despite adverse currency movements. The company obtained a growing share of revenue from activities in new markets, including telecommunications and factory automation. Major orders from these sectors demonstrate the company's growing strength and stature in these future-oriented markets.

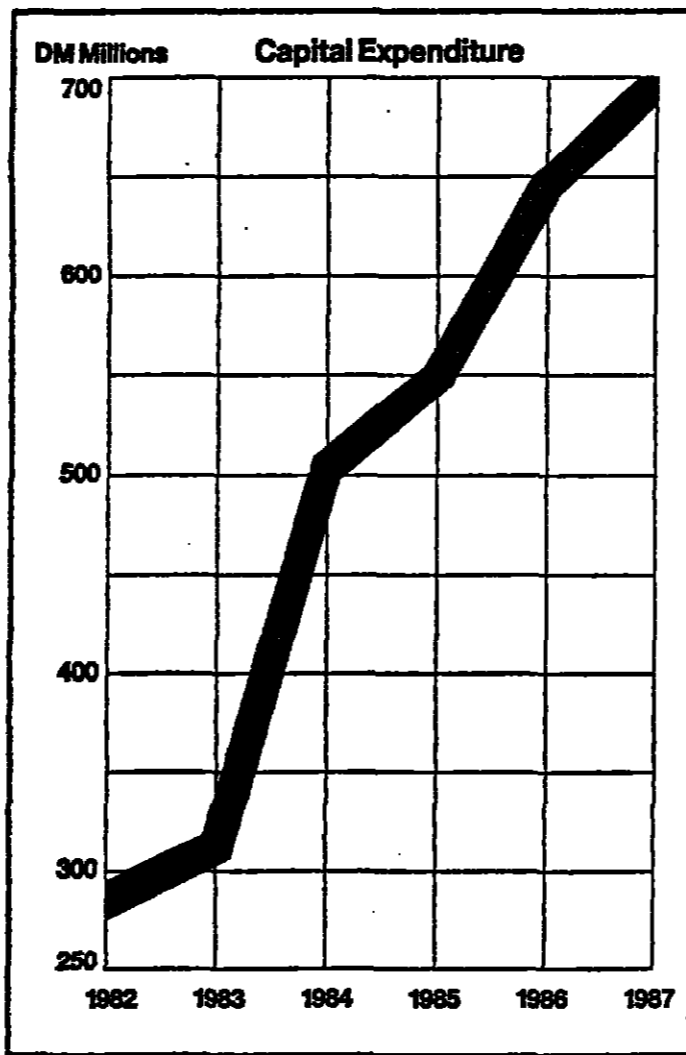
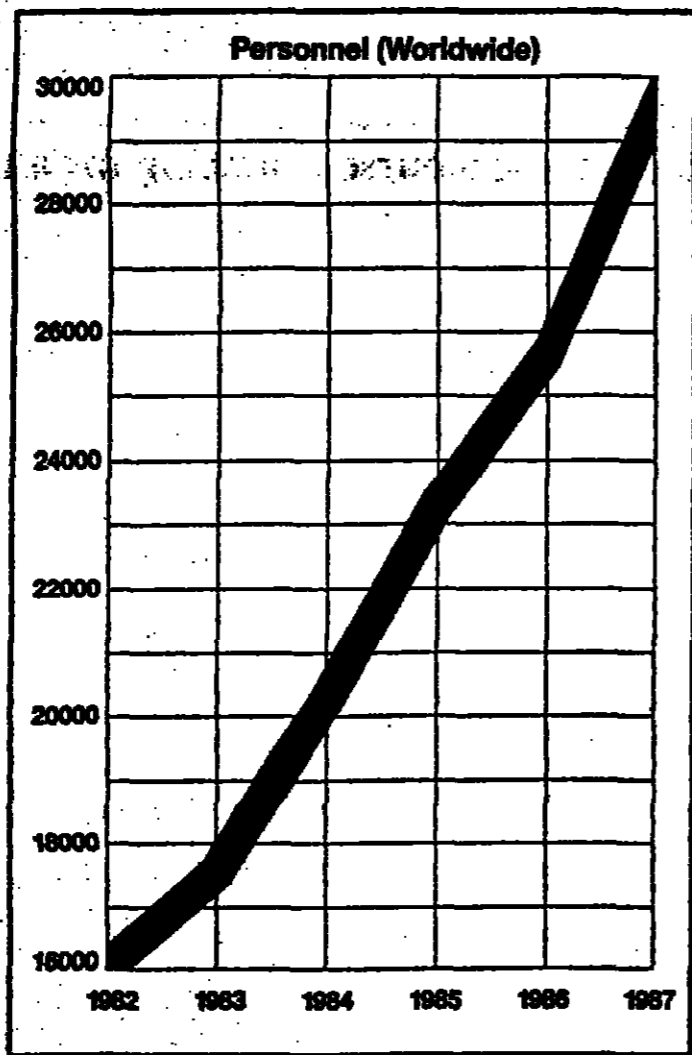


**Orders On Hand: Up 15 Percent Strong Demand**

Orders on hand rose by 15 percent, proving the value of a stable record of investment. Demand for company products and solutions was particularly strong in the small business sector, and amongst retail chains, insurance companies and large manufacturers, which are increasingly installing computers in large networked configurations, in which Nixdorf systems excel. In the government sector, large orders were obtained for post-office counter terminals in European and overseas countries. Nixdorf maintained its leading position in the finance market, boosting its sales of self-service products within banking. Its activities in the telecommunications sector brought in a growing share of revenue.

**Employees: Up 15 Percent 3,900 new jobs**

New jobs were created, primarily in the sales and service organisation, and in R&D, to provide users with the on-site, quality support that gives Nixdorf a distinct competitive advantage. A measure of the overriding importance the company attaches to extending its services can be seen in the 800 new people in the applications software division alone. This investment in personnel further strengthens Nixdorf's position as a service and solutions-oriented supplier of information technology. In fact, more than half of all Nixdorf's people are employed in customer-support activities. This commitment gives the company a more incisive competitive edge by enhancing its service orientation, software capability, vertical market know-how and its ability to provide not just high quality products, but complete solutions.



**Investment: Up 8 Percent Stronger Competitive Advantage**

We continue to invest aggressively. Total spending in research and development (DM 450 million), fixed assets (DM 700 million) and additional staffing amounted to approximately DM 1.5 billion. This substantial outlay is strengthening the strategically important divisions that are taking the company into growth markets. It paves the way for further positive developments, particularly through reinforcement of the company's service and support activities, which lend greater weight to its impact in the marketplace. Investment was high, but to very good purpose: It consolidates Nixdorf's position as a supplier of complete information technology solutions.

**Financial Year '87:**

**Positioning for the Future**  
1987 was a year of exceptionally high investment aimed, long term, at strengthening our competitive advantage and gearing the company for sustained growth. The substantial deployment of financial resources for the future is perhaps most evident in our recruitment of 3,900 new people. Besides taking measures to strengthen our competitive advantage, our major efforts in 1987 were targeted at sustaining the positive earnings trend and continuous dividend policy that is Nixdorf's trademark. As the preliminary results show, the company's position is characterised by stability and financial strength, supported by an equity ratio of more than 60 percent. Audited figures will be available on 19th April.

**Outlook '88:**

**Continuity**  
With orders on hand up by 15 percent, equivalent in value to a full year's revenue, we have a significant start on the new business year, and a solid base for further growth. In view of the increasing impact of information technology on the competitiveness of companies and entire national economies, we expect users to continue their capital spending on IT solutions. Nixdorf has the systems and services to meet these needs. Harnessing this trend will keep Nixdorf on course for profitable growth. And keep our lines aligned, next year.

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UK NEWS

London markets 'poised' if US restricts trading

By Peter Riddell, Political Editor

ANY action which US regulatory authorities may take to impose trading limits on share price movements will be seized upon by the British Government in an attempt to attract financial business across the Atlantic to the London Stock Exchange.

Department of Trade and Industry ministers firmly reject suggestions that such restrictions should be imposed on the free movement of stock market prices.

British officials have been studying developments in New York and Tokyo after the sharp falls in share prices which began with Black Monday last October 19.

However, Lord Young, the Trade and Industry Secretary, has specifically ruled out adoption of the recommendation in the Brady report, which was commissioned by President Reagan to investigate the market collapse, for so-called circuit-breakers. This is the idea that trading in an individual share should be halted once its price has moved more than a certain percentage in either direction during a particular trading session.

British ministers believe that such artificial restrictions would divert business elsewhere. They believe that such limits are not needed in the London market, which proved its ability to cope with considerable strains last October.

Consequently, ministers argue that the London market should actively seek to attract business from New York if tighter restrictions are imposed by the Reagan administration and the US authorities. Their view is that London is well-placed to benefit from any regulatory changes elsewhere.

These ideas have so far been discussed mainly behind-the-scenes by trade and industry ministers, the Treasury, the Bank of England and the Stock Exchange. There has been practically no discussion among MPs, and none of the House of Commons select committees is discussing the subject.

BP to join forces with Statoil on technology

By Steven Butler

BP and Statoil, the Norwegian state oil company, are combining their resources to develop offshore drilling technology while aiming to encourage technology transfer between industry and universities.

The two companies have earmarked \$3.1m to back production related research in three broad areas - cold regions research, reservoir technology and drilling technology. The work is to be carried out at institutions both in the UK and in Norway and would address key difficulties that lie in the way of exploring and developing oilfields in the harsh Barents Sea, to the north of Norway.

This will be the first time the two companies have collaborated to develop commercial technology and is seen as a first step in a broader effort to work together with academics.

The University of East Anglia and Sintef of Trondheim will study ice formation on vessels, mobile drilling rigs, and fixed structures. Statoil currently operates a semi-submersible drilling rig in the Barents Sea which is fitted with instrumentation developed at BP's Sunbury Research Centre.

A second project will study the rate of ice advance, retreat and ablation in the Barents Sea through analysis of satellite image data.

Nuclear magnetic resonance, developed mainly for medical purposes, will be employed to study the flow of fluids and to identify and quantify absorbed fluids in the rocks of an oil reservoir.

The Rogaland Research Institute and Winfrith Petroleum Technology will study enhanced oil recovery methods which involve adding polymer to water injected into oil reservoirs.

Parliament welcomes war crimes inquiry

By Ivor Owen

AN INQUIRY into the possibility of prosecuting alleged Nazi war criminals - including 17 people now resident in the United Kingdom - was announced by Mr Douglas Hurd, the Home Secretary, in the House of Commons yesterday.

There was a general, but not unanimous, welcome for his decision to ask Sir Thomas Hetherington, the former Director of Public Prosecutions, and Mr William Chalmers, former Scottish legal official, to undertake the inquiry which could take 12 months to complete and may involve conducting interviews in the Soviet Union.

Mr Hurd explained that 10 of the suspects had been identified by the Simon Wiesenthal Centre, the organisation dedicated to tracking down war criminals.

The existence of the other seven was brought to light by Scottish Television.

All the allegations related to events before the 17 either became British citizens or took up residence in the UK.

Mr Hurd said the legal complexities stemmed from the fact that all the cases in question related to territories now controlled by the Soviet Union - with whom the UK did not have an extradition treaty.

UK courts did not have jurisdiction to try offences of murder and manslaughter committed abroad when the accused was not a British citizen at the time of the offence, Mr Hurd said.

The Home Secretary stressed, "If we were to prosecute in these cases we should need to legislate to extend the jurisdiction of our courts."

Should such a change be made, it would be up to the prosecuting authorities to decide whether any action should be taken in individual cases.

Mr Roy Hattersley, Labour's Deputy Leader and Shadow Home Secretary, welcomed the announcement and acknowledged that the passage of almost half a century raised problems of principle as well as practice which required the Government to proceed with care.

Mr Ivor Stanbrook, Conservative member of Parliament, said that Mr Hurd's decision could lead to "a witch hunt."

John Gapper reports on the determined mood at Ford UK's Dagenham plants

Strikers settle in for a long fight

THE ONLY assembly work in evidence at the Dagenham plant of Ford UK yesterday was on a brand new wooden shed being carefully erected outside Gate 20 of the Ford industrial estate.

"We plan on being here for a while, as you can see," said a picket.

Under blue skies, 11,000 workers at five Dagenham plants in Essex were starting their first national strike for a decade in determined mood. News of the resultant lay-off of 2,000 workers at Ford's plant in Genk, Belgium was greeted happily. "Germany will be next," was one reaction.

The conventional bravado of the picket line was more muted when conversation turned from the injustices of Ford's proposed three-year deal to how long the shed would be required outside the gates of the company's largest collection of plants in Britain.

Mr Stan Seaforth, a Transport and General Workers' Union (TGWU) deputy convenor, felt the rigours of assembly line work pointed to a prolonged dispute. "The tradition here is that it is hard to get them out, but once they are out, it is just as hard to get them back again," he said.

Others feared that the company might use a lengthy dispute to try to break the power of the plants' union convenors. Mr Ned Leary, a TGWU steward, recalled, "We kept telling them what the feeling was, but they thought that we were stewards, so we must be lying."

Yet most felt that no more than two weeks of action would be enough to clear the way for fresh negotiations. This sprung from a belief that Ford had not yet fully implemented shop-



Pickets outside the Dagenham engine assembly plant near London

floor changes allowed under a two-year agreement reached in 1985.

One assembly worker said he could see no advantage to Ford in a long dispute. "I cannot see any mileage in it. They having got nothing on the shop-floor to smash through - the last deal did away with all that. There is no pitched battle for them to fight."

Perhaps as a result, the atmosphere on the picket line was relaxed. White-collar staff driving into work past the braziers and the wood blocks piled alongside to fuel them, managed in several cases to pass by without even being waved down. Those that stopped were treated amiably.

There was little belief among the pickets that militancy had been encouraged by a tighten-

ing of the local labour market. "People do not really think that it would be easy to get another job - they just think they are getting screwed," said one steward.

That view was supported by Mr Bill Regner, a 28-year-old American who has worked in the assembly plant for the last two years. Mr Regner said he believed the only alternative open to him outside Ford would be as a construction labourer in the London docklands.

Mr Seaforth said backing among production workers for the strike had been increased by the gradual curtailment of freedom to move internally - under a Dagenham tradition that workers could expect to move off the line to higher-paid skilled jobs after about four years.

A longer-term fear of redundancies following the restructuring under the three-year deal was also voiced widely. Mr Regner argued that US strikes in the early 1970s had persuaded companies, including Ford, to slow the pace of lay-offs.

Workers also expressed strong resentment against Mr Mick Murphy, TGWU national automotive officer and leader of the union negotiators, for considering a three-year deal in the face of lingering resentment over the terms of the 1985 agreement.

Mr Seaforth said: "People learned their lesson from the two-year deal. We lost quite a few jobs through efficiency savings and demarcation cuts, and the net result is that everyone is having to work harder."

High Court to decide on seamen's strike

By Jimmy Burns and Raymond Hughes

THE HIGH COURT is expected to decide today whether to punish the National Union of Seamen for its alleged contempt of court if it holds that the union defied an order to call off its national strike.

If Mr Justice Michael Davies holds the union in contempt he could either impose a fine or give Sealink, the only ferry company now urgently pursuing contempt proceedings, leave to sequester all or part of the union's assets, calculated to be in the region of \$5m.

More than 3,000 seamen, of the 7,000 called out, remained

on strike yesterday at Dover, Holyhead, Harwich, Fleetwood, Liverpool, and Larne although freight traffic across the English Channel was reported to have returned to normal.

Sealink UK complained yesterday that for three days last week the union disobeyed an injunction granted last Monday ordering it to end the strike. The High Court had ruled that the strike was secondary action held without a ballot and thus illegal.

Mr Sam McCluskie, the union's general secretary, apologised to the court for

any disobedience by the union which "had not intended to act unlawfully." He stated that on the advice of the union's lawyers he had ordered members back to work.

In the High Court yesterday, Peninsular and Oriental European Ferries reversed its previously punitive attitude towards the union by accepting that the continuing strike against the company at Dover by more than 2,000 of its employees was primary industrial action by seafarers who believed they had a grievance against the company. The company also accepted that a

ballot had taken place.

Four other P&O passenger ferry companies temporarily suspended their pursuit of sequestration because the vessels involved were sailing again.

A sixth P&O company, which operates freight services from Fleetwood, Larne, and Liverpool asked the court to defer its sequestration application until Thursday.

The company is understood to have accepted that those still striking are defying a union order because of opposition from the membership to the leadership of Mr McCluskie.

In Brief  
BT to open technology centre in Glasgow

British Telecom is to establish a £5m systems and software engineering centre in Glasgow, with the prospect of eventually creating 100 jobs, writes James Buxton.

The centre will be the fifth to be set up by BT's Research and Technology Executive and will meet BT's growing need for software.

Cochrane wins UK tanker order

Cochrane Shipbuilders, a subsidiary of the Australian-owned North British Maritime Group, has won an order to build a small 2,500 deadweight tonnes oil-products tanker for Bowker & King, a major UK operator of coastal shipping. The tanker is the first of its type to be ordered by a UK shipowner for several years.

Sporting forecast

Expenditure on sporting activities is forecast to be the fastest growing sector of UK leisure industries into the early 1990s, according to a recent report by Staniland Hall Associates, a UK market forecasting company.

Drinks competition

Specialist off-licences in Britain have faced mounting competition from large stores selling food and liquor, a development which has helped expansion but put a downward pressure on prices, according to a report by Euromonitor, the market research organisation.

Actuary approved

The Institute of Actuaries, one of the two professional actuarial bodies in the UK, has gained interim recognition as a Recognised Professional Body from the Securities and Investments Board.

'Secret' service

Most small businesses in Britain have not heard of the Small Firms Service, the main UK government organisation intended to provide them with advice, according to a survey by the Forum of Private Business, one of the largest small firm lobby groups.

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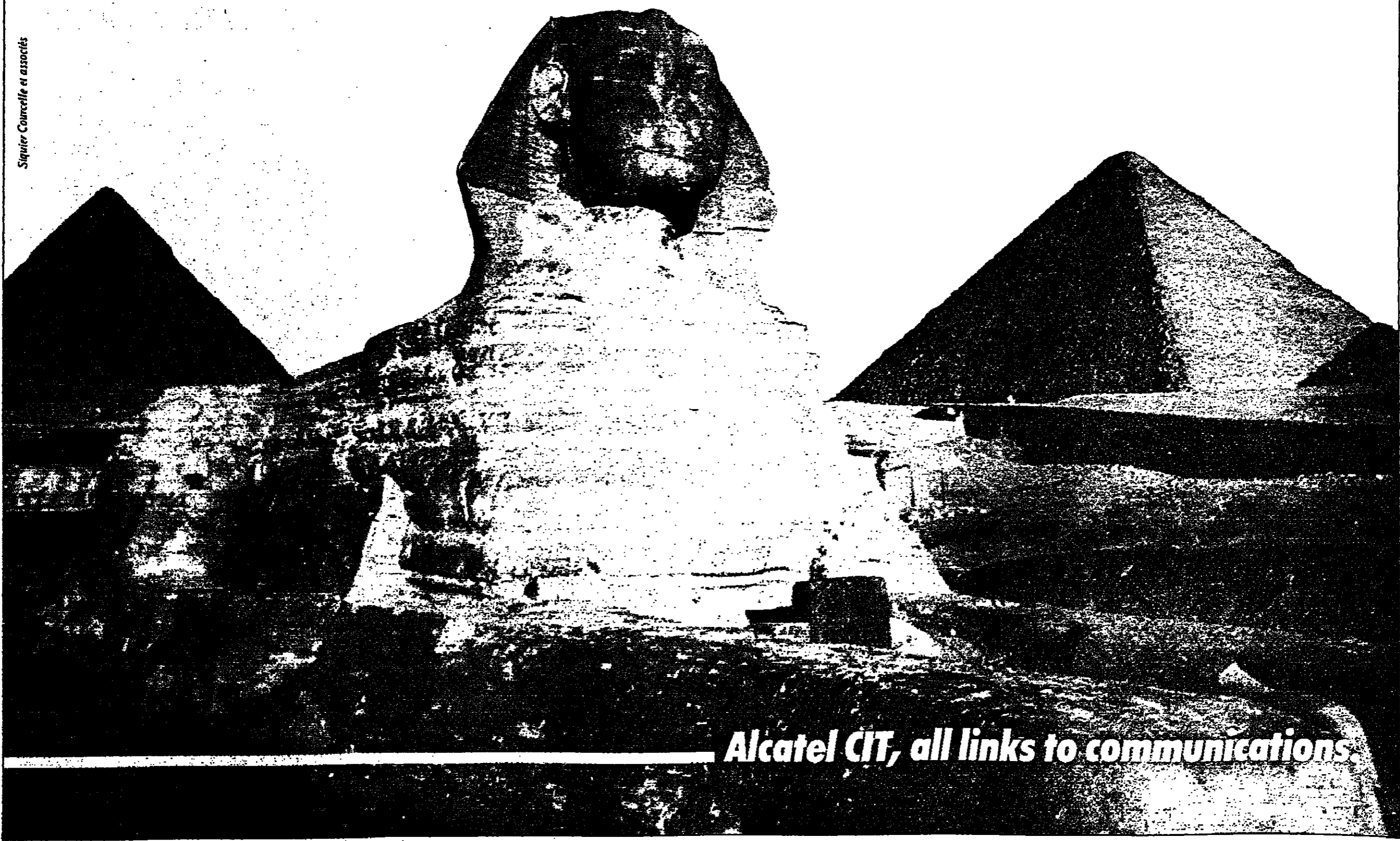


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**\* Arab Republic of Egypt National Telecommunications Organization.**



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UK NEWS

DATA CONTRAST ON OUTLOOK FOR INFLATION

Consumer debt up 18% as spree gathers pace

By Philip Stephens, Economics Correspondent

BRITAIN'S consumers increased their outstanding debt 18 per cent last year as the retail spending spree gathered pace.

Official figures released yesterday by the Department of Trade and Industry show that outstanding credit jumped from £30.8bn at the end of 1986 to £36.4bn in December of last year. The figures cover lending by retailers, bank credit cards and personal loans, and by specialist finance houses.

Separately, the Department said that it had revised upwards its estimate of the level of retail sales in December, which had previously suggested a 1 per cent fall. The revised estimate suggests that the volume of spending during the month was unchanged from the high level seen in November.

The two sets of figures reinforced the concern of some City of London economists that the rapid pace of growth in the economy in the second half of 1987 has brought it close to a period of "inflationary overheating".

They suggest that October's stock market crash had little adverse impact on the buoyancy of demand in the economy, which has led to a surge in imports and a marked deterioration in Britain's trade position.

That in turn has intensified speculation that a further rise in interest rates may be needed during coming weeks. Mr Robin Leigh-Pemberton, the Governor of the Bank of England, said recently that much of the recent build-up in credit has reflected structural shifts in the financial markets which had boosted the availability of loans to consumers.

Such a once-and-for-all adjustment did not necessarily signal an upsurge in inflationary pressures.

The Bank, however, is known to be concerned with the more general strength of demand in the economy, with the pace of earnings growth and with the widening of the trade gap caused by buoyant consumer spending. Yesterday's figures show that the volume of retail sales in 1987 was nearly 6 per cent higher than a year earlier. That followed a 5.3 per cent increase in 1986.

Yesterday, the official line was that it was premature to talk in terms of higher interest rates in response to the latest figures. Without signs of some moderation in the growth of domestic demand in coming weeks, however, it is likely that the Bank will press the Treasury to agree a further rise in borrowing costs.

Producer output prices level off

By Simon Holberton

THERE were signs last month of a moderation in the growth rate of prices of goods leaving the factory gate as British manufacturers appeared to exercise restraint in their usual start of year price review.

Independent economists are split between those who think Britain is continuing to grow too fast and those who believe the economy is beginning to slow down.

Trends in producer prices are being scrutinised by economists for signs of a resurgence in inflationary pressures. Yesterday's figures, however, do not appear to lend support to those who believe inflationary pressures are building up.

The Department of Trade and Industry's index of output prices was 3.8 per cent higher at the end of January than a year ago, compared with 3.9 per cent higher in the year to the end of December. In January the Department's index rose 0.7 per cent, up from 0.3 per cent in December.

British industry usually raises the prices of its goods at the beginning of the year. The Department said the 0.7 per cent rise in prices in January was broadly based and reflected the tendency for industry to concentrate its price rises at the beginning of the year.

Manufacturers appear to be responding to the constraints imposed upon them by the Government's firm exchange rate policy. With demand in the economy still buoyant, manufacturers would run the risk of sacrificing market share to imports if they increased their prices too much.

The DTT's index of producer prices (1980=100) was provisionally 154.6 in January compared with a provisional 153.8 in December.

Manufacturers' costs of materials and fuel rose a seasonally adjusted 0.2 per cent in January, to give an unadjusted 3.5 per cent gain for the year.

Maggie Urry looks at an apparent glut of newsprint

Optimistic paper makers bank on good circulation

NORTH British Newsprint, an offshoot of privately-owned Scottish company Strirling Fibre, is expected to announce tomorrow the go-ahead for an ambitious project to build a 200,000-tonnes-a-year newsprint plant on a redundant British Steel site in Garton, Lancashire.

Meanwhile, at Shotton, in North Wales, on another former British Steel site, Finnish-owned United Paper Mills is building a second newsprint machine destined to double its capacity to 400,000 tonnes a year.

Added to plans elsewhere in Europe to expand newsprint capacity, there is a threat that in 1990 the supply/demand balance will swing back to the purchasers' favour, with all which entails for prices.

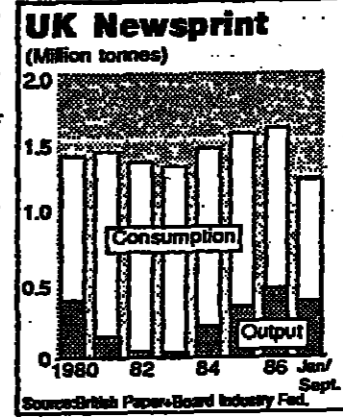
It is easy to see why newsprint makers are keen to expand production in the current market. Newspaper buyers, largely the newspaper groups, say that supplies are tight and prices rising.

For the manufacturers, that means strong profits as their plants work near capacity. And in the UK every tonne is fetching a price nearly 25 per cent higher than 18 months ago with the latest rise a 6.25 per cent increase to £400 a tonne at the beginning of the year.

The UK market for newsprint topped 1.6m tonnes last year. Thus an addition to capacity of 400,000 tonnes would be equivalent to a sizeable 25 per cent. At first sight that suggests a vicious fight among producers to hold market share, reductions in capacity use, price cuts and a sharp fall in profits. That prospect would cast doubt on the wisdom of making these investments - likely to total £250m between Shotton and Garton.

Indeed, the news from North British Newsprint is not entirely good. Sir Jonathon Benn, head of Reed International's European paper business, including a newsprint mill in Aylesford, Kent producing around 65,000 tonnes a year, says: "I do not think that extra print market needs that extra capacity."

However, there are reasons



why too pessimistic a view might prove wrong. UK usage of newsprint has recently been rising at a rate above the long-term trend of around 2½ per cent a year - 5 per cent in 1987 - as newspapers have expanded the number of pages in each copy, added sections, and increased circulation and as new newspapers have appeared. Recent newcomers to the national scene, for instance, include the colour tabloid Today and the quality broadsheet Independent.

If that faster growth rate continues, the volume of newsprint required could rise to 1.7m or 1.8m tonnes by 1990 taking up perhaps half the new capacity. On the other hand if economic growth slows and volumes of advertising fall or newspaper circulation figures decline, growth in newsprint consumption may be below trend for a while.

More important, the UK market cannot be looked at in isolation, since newsprint can be shipped all over the world to satisfy demand. In the early 1980s, when newsprint consumption was falling in the UK, the entire British production, barring Reed's Aylesford plant, was closed down. Imports - mainly from Canada and Scandinavia - made up more than 90 per cent of consumption.

Since then Bowater's old Bridgewater mill at Ellesmere Port in north west England was refurbished by Consolidated Bathurst of Canada, reopening at the end of 1983 and the first machine at Shotton started production in 1985. The former's capacity is 260,000 tonnes and the latter's 200,000.

UK capacity to produce newsprint has risen from 80,000 tonnes to around 825,000 tonnes. While some is exported, most is sold in the UK, squeezing out imports. Even with an extra 400,000 tonnes of capacity by 1990 only about half the UK market will be satisfied from home production.

Although prices of newsprint are roughly the same whatever the source, UK users find advantages in being supplied from UK production. While wanting to maintain a variety of sources, the lead times in ordering from UK mills are much shorter.

It would seem probable, then, that the additions to UK capacity can find a market within the UK at the expense once again of imports, unless imports will be able to undercut UK prices. A recession in the US, for example, might cause the Canadian producers to look to the UK for extra sales. In 1987 Canadian exports to the UK were well below their maximum duty-free quota.

If usage in North America falls, perhaps after November's US presidential election, the Canadians would be tempted to sell more in Europe and have the reputation of being reckless in pricing. And should the US dollar remain weak, newsprint from North America could prove extremely competitive.

Significantly, North British Newsprint will, like Reed's plant, use only recycled waste paper as its raw material. Bridgewater is using 60 per cent waste, and part of Shotton's expansion plan is to introduce waste to make around a quarter of its mix.

This may give UK producers a cost edge over Scandinavian suppliers who lack domestic sources of waste paper and must rely on trees. Even those trees are more expensive to produce than in the UK.

In the worst case for producers, if newsprint prices fall, the UK makers will at least have the comfort of a domestic market twice the size of available capacity.

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FT

Budget 'offers scope for big tax reforms'

By Philip Stephens, Economics Correspondent

THE ECONOMIC and political scope for a major overhaul of Britain's tax system has rarely been greater than that offered by the most recent Conservative Institute for Fiscal Studies said yesterday.

In its Green Budget detailing the options on March 15, the IFS says that the extraordinary buoyancy of government revenues has given Mr Nigel Lawson, the Chancellor of the Exchequer, some £9bn to split between lower borrowing and cuts in tax rates.

The embankment of riches will allow him to minimise the number of "losers" from changes in the tax system. A substantial "giveaway" in the first budget of the new parliament will also provide the opportunity of popular changes, such as reductions in the higher rates of income tax.

The IFS, which has prepared its analysis in co-operation with economists at securities house Goldman Sachs, says that the recent buoyancy of domestic demand in the economy will act as the main constraint on the Chancellor.

As to the higher rates, the IFS says that Mr Lawson's prospect would cast doubt on the wisdom of making these investments - likely to total £250m between Shotton and Garton.

Indeed, the news from North British Newsprint is not entirely good. Sir Jonathon Benn, head of Reed International's European paper business, including a newsprint mill in Aylesford, Kent producing around 65,000 tonnes a year, says: "I do not think that extra print market needs that extra capacity."

However, there are reasons



Mr Nigel Lawson

The most obvious Budget measure is a cut in the basic rate of tax from 27p to 25p, perhaps in one move or alternatively phased over two years.

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However, there are reasons

The Chancellor has made it clear that he is unlikely to abolish capital gains tax, but he could act to make it fairer by removing the tax on gains dating from before 1982.

Looking to the process of long-term reform, the IFS says that the Government could make a start in both the personal and corporate sectors. By freezing the married man's tax allowance and raising the single person's allowance he could begin a gradual move towards partially transferable allowances for husbands and wives.

In the corporate sector he might announce a phased reduction of corporation tax from its present 35 per cent and the abolition of licence royalties paid by North Sea oil companies.

Even within those constraints, however, the options are numerous and the Government could also affect the overall tax cuts. Mr Lawson may decide to focus tax cuts in areas which will improve the supply response of the economy rather than those which will give a general boost to demand and further stimulate imports.

Cuts in tax rates over and above the £4bn could be financed by raising additional revenue elsewhere - large increases in tobacco duties and some extension of value added tax are possibilities.

Tories demand NHS bonus

By Peter Rickard, Political Editor

ADDITIONAL money for Britain's National Health Service should have priority over a general cut in taxes in the March 15 Budget, the Tory Reform Group, a conservative extra-parliamentary organisation, maintains in a submission today.

Sir Alan Greengross, chairman of the group and former conservative leader on the Greater London Council, argues that by general consent it is time for a bonus share issue for health.

"It would be deeply offensive to many people, in all parties, if the major bonus share in this year's budget was to go to those on higher incomes until or unless the most pressing needs of the NHS are also met."

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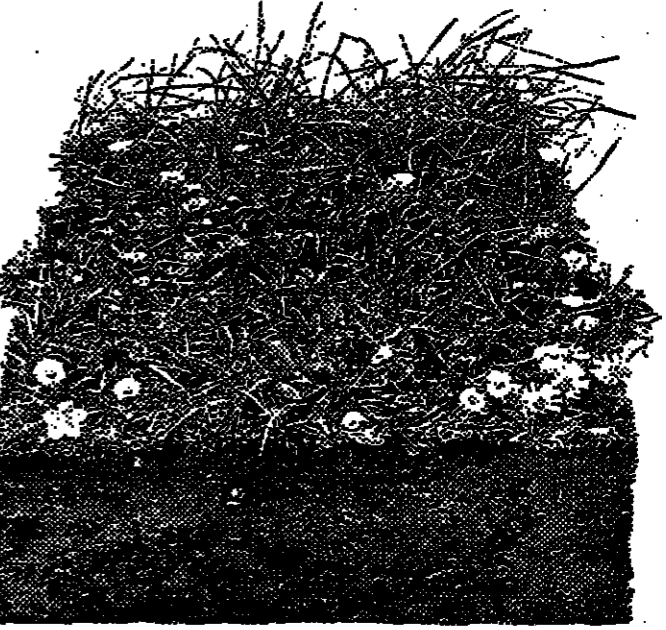
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To mark its centenary, the Financial Times will publish a survey on Monday, 15 February 1988, entitled 'Financial Times - the first 100 years'.

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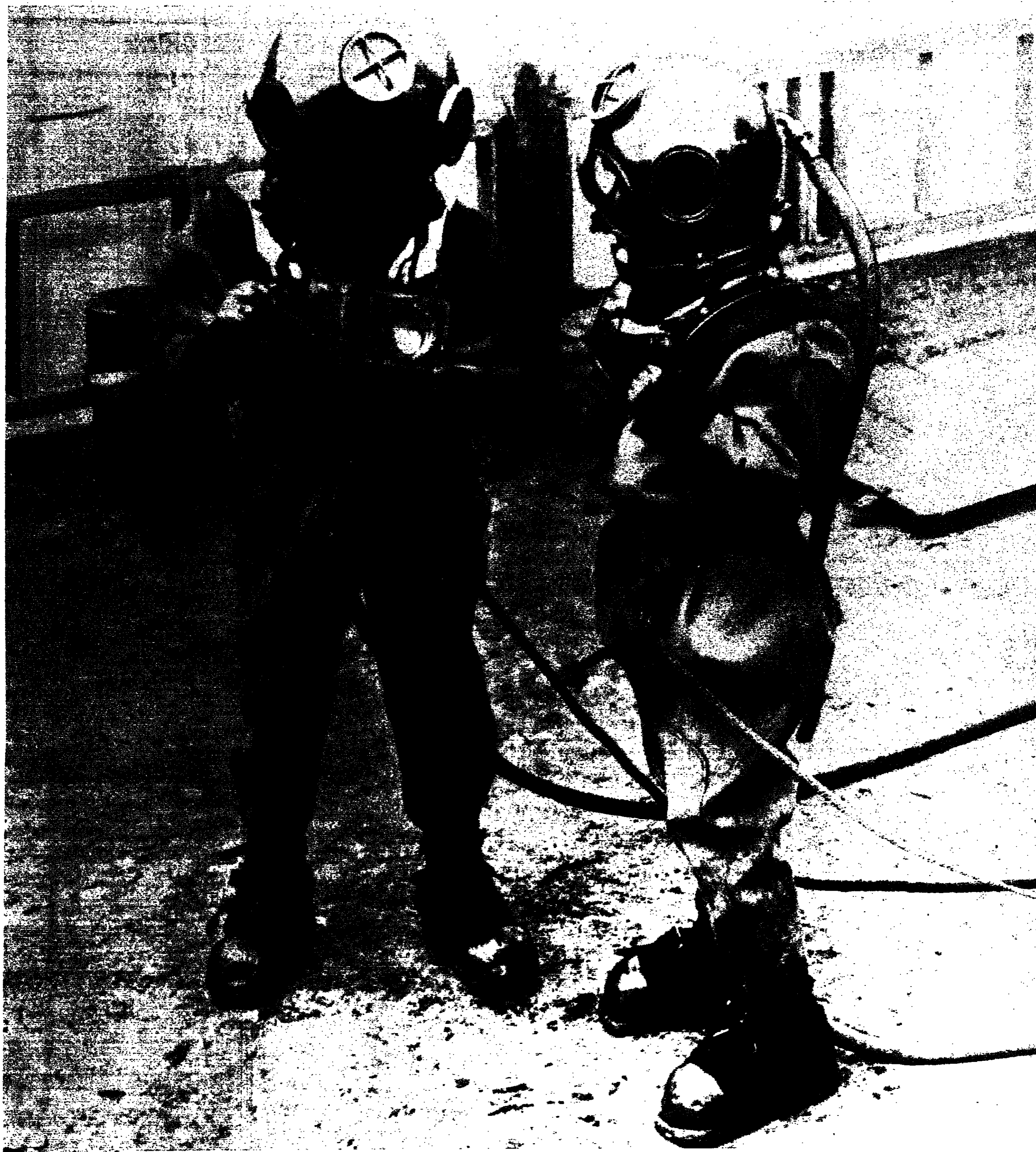
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greatly reduced distribution costs and improved service to *Superdrug's* growing chain.

Retail, of course, is only one area where our consultants have well-trodden experience. Others run from agriculture to zoology. So if we can help you in yours, why not get in touch?

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# "I'VE LEFT MY UMBRELLA IN A TAXI."

To be fair, our American guest did give us a clue.

"It's a Mercedes," he told us. No kidding. Just like the other 999 taxis cruising the streets of Jerusalem.

In such circumstances, the majority of staff in the majority of hotels might, understandably, have offered sympathy and very little else.

Fortunately for the owner of the broly, he was staying at the Sheraton.

And although the odds of finding a needle in a haystack were slightly shorter, this didn't deter our doorman.

To him, the lost umbrella came as a personal challenge.

With the chances of finding it slim by anyone's standards, he was on the case.

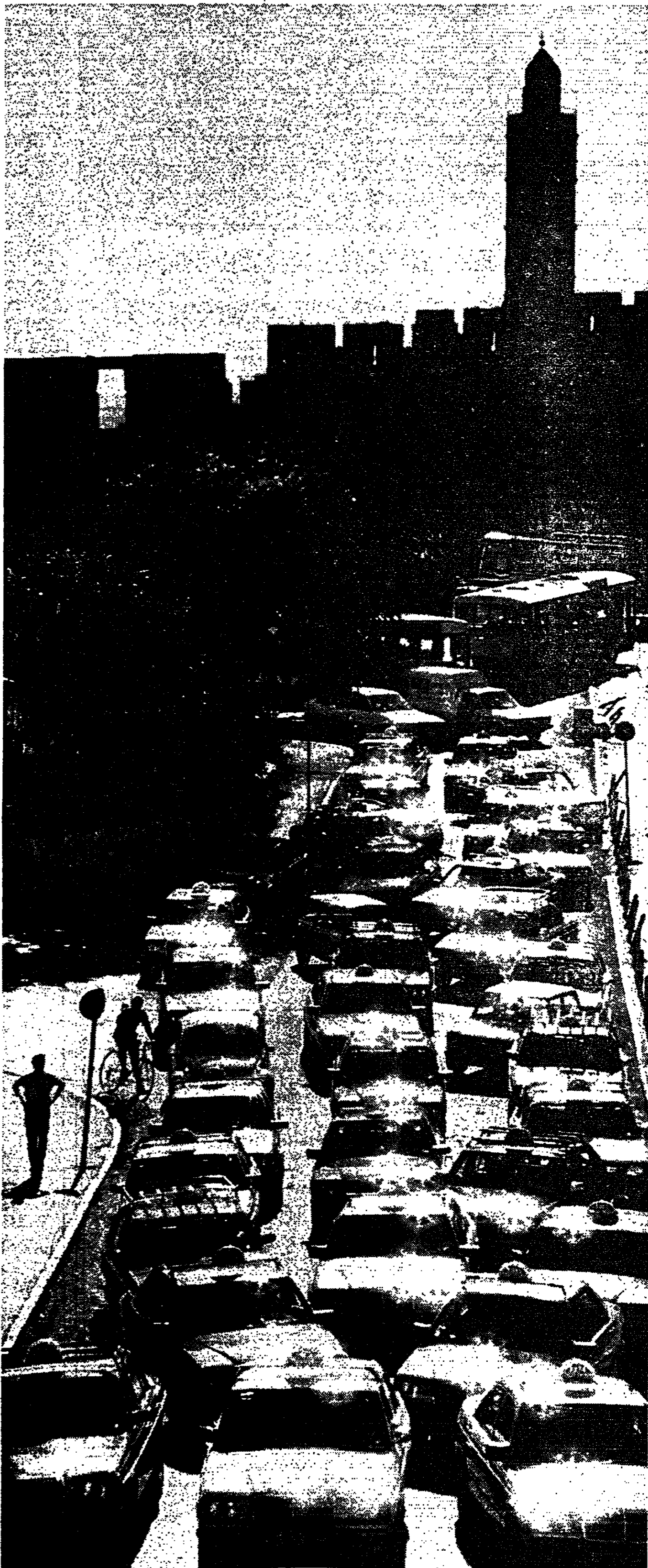
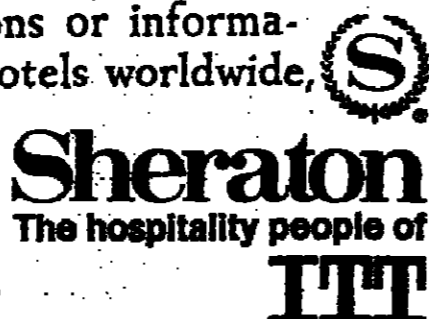
Two days later, the taxi was located and the broly returned to its incredulous owner.

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### SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Tuesday February 9 1988

**DOUGLAS CONSTRUCTION GROUP**  


## Wall St welcomes Dun & Bradstreet \$1.65bn purchase

BY JAMES BUCHAN IN NEW YORK

**WALL STREET** yesterday responded with approval to Dun & Bradstreet's \$1.65bn acquisition of IMS International even though the all-share purchase will depress the profits of the giant business information services group for some time.

"It's an excellent deal," said Mr James Dougherty, an analyst for Country Securities USA. Analysts said that Dun & Bradstreet was paying a high price for the acquisition but IMS International, which provides market research to drug companies, had a secure market niche and was growing fast.

"This is the only market-research supplier to a \$100bn industry," Mr Dougherty said yesterday. "It's an extraordinarily valuable franchise."

Dun & Bradstreet, which has strong positions in such businesses as credit information, media research, airline guides, Yellow Pages and market research, announced the deal late on Sunday. Dun & Bradstreet will buy each of IMS International's 41.7m shares with 0.801 of one of its own shares.

Mr Charles Moritz, chairman of Dun & Bradstreet, said: "We have long admired IMS and have had informal discussions with its management going back more than a decade."

IMS, which five years ago was valued at only \$100m by the stock market, reported net income of only \$44.6m on sales revenues of \$411.5m during the 12 months to last September. Dun & Bradstreet reported net income of \$393m on revenues of \$3.4bn in calendar 1987.

The high price being paid in relation to IMS International's profits means that Dun & Bradstreet's own profits will fall by 7 to 8 per cent this year, said Mr Kevin Grunetch, an analyst at First Boston.

Dun & Bradstreet stock fell 3 1/2% to \$49 in early trading yesterday, apparently in expectation of its lower profits.

However, IMS International said that its net income in the past three years had grown at a compound rate of 26 per cent, which is much faster than Dun & Bradstreet's or the stock market average. "This will be a consistent 25 per cent grower," Mr Grunetch said.

Analysts also said that the company faced little competition in its main businesses of providing pharmaceuticals companies with market share data on prescription drugs, analyses of doctors' prescriptions and hospital drug sales, journals and newsletters.

## BNP bids for US bank

BY GEORGE GRAHAM IN PARIS

**BANQUE NATIONALE** de Paris, France's second-largest banking group, has launched a \$100m bid for WestAmerica Bancorp, a Californian retail bank.

The bid, through BNP's Californian subsidiary, Bank of the West, depends on the successful negotiation with WestAmerica's board of an agreement which would dismantle the bank's "poison pill" defence mechanism, put into place in December 1986 when it was fighting off a bid from Security Pacific, the second-largest West Coast bank.

Security Pacific still owns 4.8 per cent of the bank. Bank of the West and WestAmerica rank 14th and 19th in size, respectively, among Californian banks. Once merged they would rank ninth.

BNP said yesterday in Paris that the two banks had similar activities and markets.

WestAmerica, listed on Nasdaq, suffered a sharp fall in earnings last year to 65 cents a share from \$1.66 a share in 1986, after making heavy provisions on its property portfolio.

## UK CONGLOMERATE AGREES \$195M PRICE TAG FOR CALIFORNIA UNIT

# Hanson sells Kaiser cement plant

BY NIKKI TAIT IN LONDON

**HANSON**, the large British industrial conglomerate, has agreed to sell its Lucerne Valley cement plant in southern California to Mitsubishi Mining and Cement, part of the Japanese group, for a total of \$195m. Mitsubishi is paying \$135m in cash and \$10m for stocks.

Hanson acquired the plant as part of the quoted Kaiser Cement, America's fifth largest cement producer and the biggest operator in California, last March. The total acquisition cost of Kaiser was around \$250m, but yesterday's deal - together with earlier disposals - means that the British group has now recouped well in excess of that sum.

Last March - shortly after completing the Kaiser purchase - Hanson sold on two Kaiser operations, Northwest Terminals and Montana City Plant, for \$50.2m in cash. In August, it agreed to sell a 42.8 per cent interest in Indonesian cement manufacturer, P. T. Semen Cibinong, also to Mitsubishi for \$26m cash, and in October, Kaiser sold its San Antonio plant in Texas for \$15.5m.

## LTV stages turnaround to \$141m

BY OUR NEW YORK STAFF

**LTV**, the bankrupt industrial conglomerate which includes the second-biggest US steel-making company, made a net profit of \$141m, or \$1.17 a share, in the last quarter, against a year-earlier loss of \$4.24 a share. The earlier loss included \$600m of charges related to the company's Chapter 11 bankruptcy filing, which occurred in the third quarter of 1986. For 1987 as a whole, LTV made net profits of \$503m or \$4.24 a share, against the net loss of \$3.27bn sustained in 1986.

The 1986 loss included \$3.23bn of special charges. While LTV clearly benefited from a turnaround in the US steel business, which accounted for 60 per cent of revenues in 1987, much of the improvement in its results comes from the benefits of Chapter 11 bankruptcy. LTV's results do not include most of the interest liabilities on its \$6bn of accumulated debt.

Mr Rupert Murdoch, the international media magnate, told union leaders at the New York Post yesterday he would close the paper in less than two weeks unless they agreed to a 12 per cent pay cut so that he could sell the newspaper to Mr Peter Kalkow, a wealthy property developer.

Mr Murdoch also wants the loss of 77 jobs, aimed at production savings of \$24m over three years.

Mr Kalkow agreed to pay \$37m for the loss-making tabloid newspaper, but union leaders were dismayed to discover that there were no guarantees in the sale contract about continuing publication of the Post - America's oldest continuously published daily newspaper.

A official said that, while Mr Murdoch had initially hoped to obtain a written commitment to at least

## Murdoch in warning to NY Post unions

BY ANATOLE KALETSKY IN NEW YORK

three years of publication, there had been no buyer willing to give stronger assurances than Mr Kalkow about the Post's future.

Mr Kalkow did agree to underwrite the pension and severance liabilities which the Post would face in the event of closure.

Mr Murdoch estimated these at about \$30m, implying that Mr Kalkow would have a strong financial incentive to keep the Post going. The employment liabilities appear to represent the biggest part of the financial risk for Mr Kalkow.

The sale price is almost entirely covered by the value of the paper's downtown Manhattan property, which was estimated in the sales prospectus at \$35m.

Mr Kalkow said he sincerely wanted to keep the Post publishing, but the paper was "close to the edge."

## Senior managers make \$700m offer for J.P. Stevens

BY RODERICK ORAM IN NEW YORK

**J.P. STEVENS**, a leading US textiles producer famous for its hostility to unions, has received a leveraged buyout offer worth about \$700m from a group of senior managers, marking a further consolidation of the industry.

The group, led by Mr Whitney Stevens, chairman, is offering \$38 cash and junior debentures worth \$5 for each Stevens share. Its stock jumped \$1 1/2% to \$44, indicating that Wall Street is expecting the group will have to sweeten its offer.

The Stevens board has formed a committee of its seven outside directors to review the offer with the help of Goldman Sachs, the Wall Street investment firm.

The buyout group said it had arranged \$420m of senior bank financing and was "highly confident" it would raise the remaining \$276m to finance the deal.

Stevens, one of the foremost names in US textiles with a history stretching back to 1813, had a book value of \$30.84 a share at the end of its fiscal year last October. Analysts believe, however, that the company could be worth more like \$45 to \$50 a share as it begins to benefit from its restructuring.

## Polysar fends off Nova

BY ROBERT GIBBENS IN MONTREAL

**MR BERNARD ISAUTIER**, French-born president of Polysar Energy & Chemical, is fighting to thwart the efforts of Nova, a large western Canadian energy and petrochemicals group, from taking his company over.

At stake is Nova's ambition to create the country's largest primary and secondary petrochemicals company able to compete internationally.

Nova is headed by Mr Robert Blair, who has built it up from a small gas-transmission company into a diversified energy

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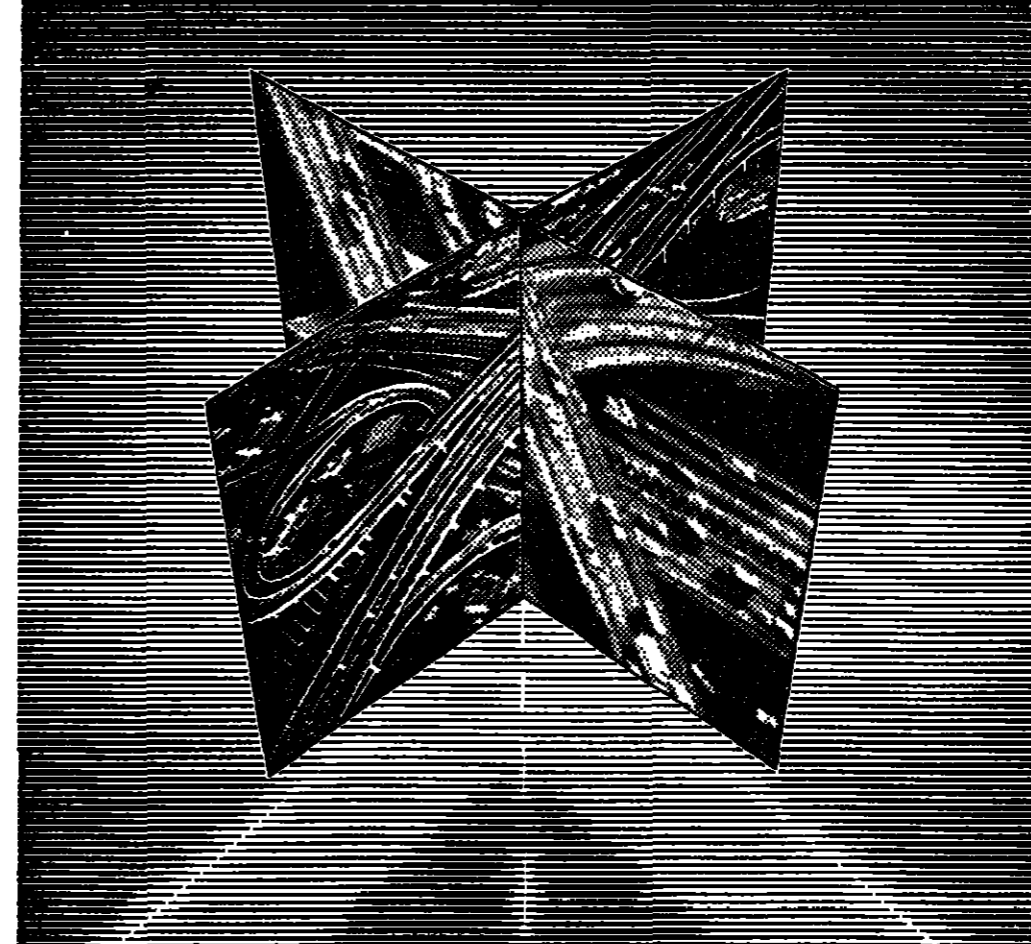
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INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Japanese plan more Swiss bonds

BY WILLIAM DULLFORCE IN ZURICH

JAPANESE banks plan to introduce more small, unlisted companies to the Swiss franc bond market...

Most of the borrowers were unlisted on the Japanese stock exchange but were well-run companies with excellent prospects...

has become the first Australian trading bank to set up a securities dealing operation in Switzerland...

ANZ Securities (Switzerland) will work under the umbrella of ANZ Merchant Bank in London...

Tokyo SE heads off bidding war for traders

By Stephen Fidler in Tokyo

NOT FOR TOKYO the unusually early escalation and widespread poaching of traders that accompanied London's Big Bang...

In the latest of the country's "Little Bangs," 16 foreign and six domestic securities firms...

Both the MoF and the exchange have made it clear to the extra that they do not want this to result in a bidding war...

Mr Masao Takamori, manager of the foreign division of the exchange, said the desire to avoid over-aggressive recruitment...

The exchange's current 92 member firms employ about 1,000 non-traders...

To help resolve the recruitment problem for the foreign firms, the big Japanese securities firms...

These offers have, however, met with a less than enthusiastic response...

Until now, the foreign firms have been content to take a relaxed view...

Yet now that they have paid more than ¥1bn apiece for a TSE seat...

All of which suggests that the spirits of share traders in Tokyo may be rather buoyant...

Nomura lays off 36 US employees

NOMURA Securities International, the US subsidiary of the Japanese firm...

The company says it has no plans to lay off local employees in London...

Nomura International had increased the number of US local employees to 600 in the past two years...

Nomura is nonetheless likely to hire new local employees in the US after this round of lay-offs...

In Japan, Nomura has set the goal of cutting operating costs by 10 per cent since the crash...

Eurosterling prices drop on interest rate fears

BY CLARE PEARSON

EUROSTERLING BOND prices plummeted yesterday amidst concerns that UK interest rates will be raised...

Prices of UK government bonds were marked sharply lower at the outset on worries that interest rates would rise again...

The Eurodollar bond market stood up better than US Treasury securities yesterday...

Nevertheless, rumours of more Eurodollar bonds continued to circulate yesterday...

Deutsche Genossenschaftsbank brought a DM300m seven-year deal for DG Bank...

The "bull" tranche will be redeemed at the JGB settlement price less 17.94 per cent...

International Bank led a DM50m five-year bond for Nobis Societe des Banques Privées...

Bayerische Landesbank, as sole manager, brought a DM100m five-year 5 per cent bond...

Swiss Bank Corporation led a two-tranche SFr150m deal for Asian Development Bank...

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Deutsche Genossenschaftsbank brought a DM300m seven-year deal for DG Bank...

Saab-Scania awards \$350m mandate

By Alexander Nicol

SAAB-SCANIA, the Swedish car and aerospace group, has awarded a long-awaited mandate to Bankers Trust for a \$350m multiple-option facility...

The interest margin is 5 basis points over London interbank offered rates...

Shopbank of Finland is to have a Y20bn Euroyen commercial paper programme...

TW Services, a US food service group, has appointed J.P. Morgan dealer for a \$300m Eurocommercial paper programme...

MoF clarifies Mexico deal tax

THE JAPANESE National Tax Agency and Ministry of Finance have clarified some of the tax and accounting issues regarding Mexico's planned debt-for-bond deal...

Officials say that Japanese creditor banks will be able to deduct from their tax liabilities losses expected from the deal...

Mr Kenichi Kamiya, president of the Federation of Bankers' Associations of Japan, said last week that Japanese banks remain noncommittal on the deal...

Twenty-eight Japanese banks have extended loans to Mexico, and their outstanding loans account for some 15 per cent of Mexico's total debts to Western commercial banks...

Mr Gerashenko, who said that the issue of SFr100m worth of 5 per cent bonds was floated in January by a syndicate of mainly non-Swiss banks...

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and their outstanding loans account for some 15 per cent of Mexico's total debts to Western commercial banks...

The Federation of Bankers' Associations of Japan is lobbying the Ministry of Finance for government help in raising banks' capital ratios...

The request is the first response by the Japanese banking industry to proposals for strengthening the capital resources of international banks...

On the basis of the experience gained, he said, the bank was now looking at the possibility of further use of this form of financing in various currencies...

While Switzerland's big banks had not wanted to take part in the transaction, Mr Gerashenko praised what he called the "constructive position" of the Swiss National Bank...

While Switzerland's big banks had not wanted to take part in the transaction, Mr Gerashenko praised what he called the "constructive position" of the Swiss National Bank...

Soviet bank may borrow more

BY JOHN WICKS IN ZURICH

FOLLOWING THE success of its recent Swiss franc bond issue, the Soviet Bank for Foreign Economic Affairs is considering raising further sums on western capital markets...

Mr Victor Gerashenko, the bank's deputy chairman, said in Zurich over the weekend that it had received "various offers from banks in different countries..."

He went on to indicate that other Soviet institutions might also borrow money in this way, and named Promstroybank, the plant construction corporation...

of 5 per cent bonds was floated in January by a syndicate of mainly non-Swiss banks...

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He went on to indicate that other Soviet institutions might also borrow money in this way, and named Promstroybank, the plant construction corporation...

Advertisement for Granges Exploration Ltd. offering 1,000,000 Units, 2,000,000 Common Shares, 1,000,000 Warrants to Purchase Common Shares, and 400,000 Units. Lists various financial institutions as agents.

FT INTERNATIONAL BOND SERVICE

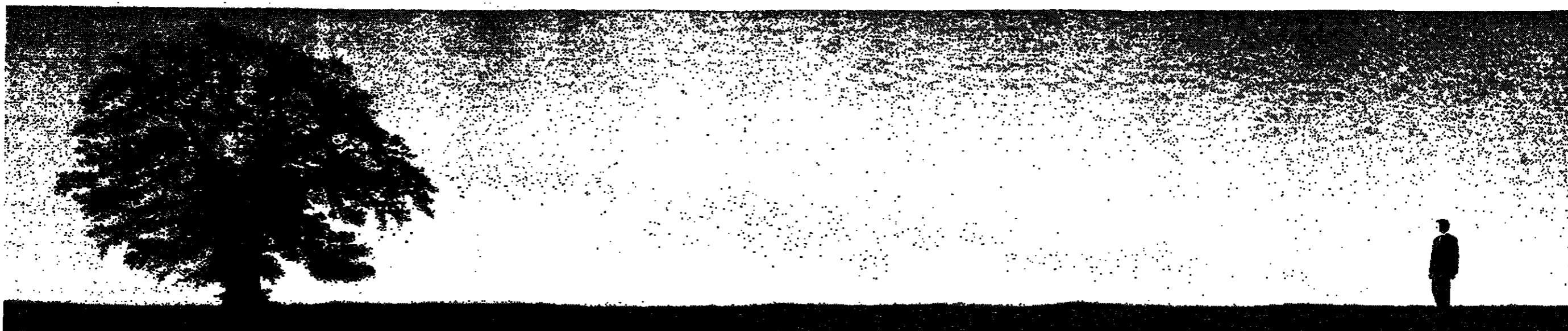
Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns for US DOLLAR STRAIGHTS, OTHER STRAIGHTS, FLATTING RATE NOTES, and CONVERTIBLE. Includes bond names, amounts, yields, and prices.

Handwritten Arabic text at the bottom of the page.

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S-405 08 GOTHENBURG, SWEDEN.

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**VOLVO**





BAT offers to discuss Farmers Group bid terms

BY DAVID LASCELLES

BAT Industries is prepared to discuss "all terms" of its \$4.2bn (£2.4bn) bid for Farmers group, the California-based insurance company...

"BATUS emphasised that it was prepared to discuss all terms of the proposal." There was no immediate response last night from Farmers representatives in London.

Altogether, Mr Sheehy says, the acquisition would be unlikely to raise BAT's net debt/equity ratio beyond 70 per cent, even if it went through now.

Damages for UCL offshoot confirmed

By Fiona Thompson

Universal Computer (Systems), a non-trading subsidiary of UCL Group, USM-listed computerware company, has received \$2.06m (£1.18m) damages from the US Datamedia Corporation...

AGB buys half of advertising monitoring service

BY ANDREW HILL

AGB Research, the UK's largest market research company, has acquired half of Advertising Research Services, media and advertising expenditure service...

The initial consideration will be funded by the issue of 739,567 AGB shares worth £1.4m with the balance in cash.

Garton Eng £0.4m buy

Garton Engineering has agreed to acquire the capital of Kinlings of Southampton, manufacturer of coldformed volume components...

Grand Central Inv Grand Central Investment Holdings, has acquired 60 per cent of Heng's Food and Beverage Industries, Singapore-based food manufacturing company...

Move to unseat Bremner directors

By Philip Coggan

MR DENNIS MCGUINNESS, chairman of Bremner, Scottish financial services group, has called for the removal of three directors at an extraordinary general meeting on February 24.

In fact, the Bremner board claims that the three men, Mr Eric Pearce, Mr John White and Mr Chris Adams, are not validly appointed directors.

Dixons preference stake in Wigfalls up

Dixons, the high street retailer which is offering £16m cash for Sheffield-based Wigfalls, yesterday announced it has acquired a further 15,400 convertible preference shares...

Consolidated Tern optimistic despite £3.76m deficit

BY DAVID WALLER

Consolidated Tern Investments, USM-quoted property and construction company which in December bought two estate agents for £9.3m, yesterday announced that it made a pre-tax loss of £3.76m in the year to September 30.

The result bettered the prediction of Mr James Butterfield, chairman, who wrote to shareholders last November warning them to expect a loss of £3m.

Tern Southern & Bell - the construction subsidiary - had undergone a major restructuring and would approach break-even in the current year.

Tern's property services division is now ranked as the 26th largest estate agency in the UK following the acquisition of the Badgers and Windsor Fareham estate agency groups in December.

GRANVILLE SPONSORED SECURITIES table with columns for High Low, Company, Price, Change, Yield % P/E

QUOTED PLC SEEKS ACQUISITIONS FOR CASH AND/OR SHARES. Expanding quoted PLC seeks acquisitions in the distribution, retailing, or leisure fields.

COMPANY NEWS IN BRIEF

AAH Holdings has acquired J C N W Burr, which operates four retail pharmacies in the Nuneaton area...
McCarthy & Stone: Mr J.S. McCarthy, chairman, told annual meeting that accounts for first four months showed encouraging trends.

CLASSIFIED ADVERTISEMENT RATES table with columns for Per line, single col cm, (min. 3 lines)

Full Colour Residential Property Advertising. APPEARS EVERY SATURDAY. Rate £40 per Single Column Centimetre.

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Creditors' vote is not confidential

HAARHAUS & CO GmbH v LAW DEBENTURE TRUST CORPORATION plc

Queen's Bench Division (Commercial Court): Mr Justice Hirst, January 28 1988

The way in which individuals cast their votes on a poll at a creditors' meeting called by the debtor is not confidential as against him at Common Law, and his agents appointed to record the votes therefore cannot be restrained from giving him the information unless it has some contractually or circumstantially acquired confidentiality.

Mr Justice Hirst so held when refusing an application by Haarhaus & Co GmbH for injunctions to restrain Chase Manhattan Bank from disclosing to the Central Bank of Nigeria the manner in which votes were cast at a creditors' meeting, and to restrain the Central Bank from obtaining such disclosure.

Notes had been issued for approximately \$3.2m. They provided for payment of principal and interest by instalments, culminating in 1990.

During 1987 Central Bank had defaulted on its obligations under the trust deed. The purpose of the meeting

was to put before the note-holders proposals for extending the completion date to 2010.

The meeting was convened by the Central Bank. The Chairman, Mr William Park of Linklaters & Paines, was nominated by the Corporation, pursuant to its powers under the trust deed.

Before the meeting was an extraordinary resolution which required a two-thirds majority. There was a two-thirds majority on a show of hands. The chairman then demanded a poll.

The voting slips bore the note-holders' serial numbers. The boxes were opened by Chase Manhattan, appointed by the Central Bank as its agent to count the votes. The vote numbers appearing on the voting cards were entered into a computer, and removed to Chase Manhattan's premises.

The resolution was passed on the poll by the requisite two-thirds majority. On January 18 1988 Haarhaus issued writs claiming a declaration that the voting was confidential, claiming injunctions against the Corporation, Mr Park and Chase Manhattan, prohibiting disclosure of the manner in which they were cast; and claiming an injunction against the Central Bank prohibiting it from obtaining such disclosure.

The claim against the Corporation and Mr Park had been discontinued. Haarhaus issued its writs in a representative capacity, on behalf of all note-holders, alleging there was a risk of damage to them if the information was disclosed.

It was an essential condition of a representative action that the representative and the representor had the same interest and a common grievance, and that the relief

sought was of its very nature beneficial to all. Since the motion was carried by a two-thirds majority there must have been a very substantial group of people who had no common interest with Haarhaus. Nor could there be any common grievance, since the fear of discrimination or reprisals, which was at the root of its case for preventing disclosure of "No" votes, could not apply to those who voted in the affirmative.

The proceedings could therefore not be continued in a representative capacity. The first ground on which Haarhaus presented its case was that it was an express or implied term of the trust deed that information as to how individuals voted was confidential.

It submitted that at Common Law the function of a poll was inter alia to preserve confidentiality. Armstrong v Landmark [1967] 1 NSW 13 showed that those who organised the poll were entitled to know how people voted, and that it was essential so that the validity of votes could be scrutinised.

Mr Collins for Haarhaus sought to distinguish between knowledge for the purpose of scrutinising and knowledge for any other purpose. There was no authority for such a distinction. It was rejected. It was entirely unrealistic in the present case, since there was nothing to stop Central Bank conducting the poll itself with its own officers and computer.

As to the first requirement, Mr Collins submitted it was sensitive information. Sensitivity was no sound basis for confidentiality. By what criterion was sensitivity to be judged? It would produce uncertainty.

The considerations which led to the ruling against any contractual basis for the claim also told against the quality of confidence. Further powerful considerations were that at the meeting the chairman ruled that

there would be a computerised record of the way in which note-holders voted, and that the record belonged to Central Bank. That ruling stripped the information of any potential confidentiality it might otherwise have had.

Also, since Chase Manhattan was Central Bank's agent, it was difficult to see how its own principal was not entitled to the information that it held. Nor was the second requirement satisfied. A reasonable man in Chase Manhattan's shoes could not possibly have thought he was the recipient of confidential information once he heard the chairman's ruling.

The third requirement was that the information would be used to the plaintiff's detriment. Haarhaus's case was based on the alleged fear of discrimination or reprisals. Its evidence was woefully inadequate. The court strongly deprecated the making of serious allegations of that kind without any proper evidential support.

The court strongly deprecated the making of serious allegations of that kind without any proper evidential support.

The Central Bank did its utmost to set up the meeting with scrupulous fairness. The voting process was impeccable. There was no cause of action against the defendants. The application for the injunctions failed, and the actions were struck out.

For Haarhaus: Michael Collins (Holman Fenwick & Wilton)

For Chase Manhattan: Mark Potter QC (Allen & Overy)

For Central Bank: Hilary Heilbron QC and Anthony Trace (Norton Rose Butterell & Roche)

HOME BRIDGING a Collins-Wilde Group Company. £25,000,000 SUPPLEMENTAL REVOLVING FACILITY. AGENT ARBUTHNOT LATHAM BANK LIMITED. PROVIDED BY Bank of Ireland, Creditanstalt-Bankverein, The Hongkong and Shanghai Banking Corporation, Frankfurt Bukarest Bank AG, Banco Totta & Açores, NMB Bank, London Branch, Royal Trust Bank (Switzerland), Al Saudi Banque, Arbutnot Latham Bank Limited, Crédit Commercial de France, Swiss Cantobank (International).

APPOINTMENTS

Restructured UK operations at Standard Chartered Bank

STANDARD CHARTERED BANK has restructured its UK banking operations. Mr John Davidson, general manager, will be in charge of UK corporate banking, and Mr John Hoddehl remains managing director of Chartered Trust. Mr Brian Fitzgerald has been appointed director of international corporate banking. Mr Robin Christie is director of personal banking. Mr Eric Harrison, head of risk asset management, and Mr Geoff Williams head of support services. A director of finance is to be appointed. Mr Lynn Todd becomes director of UK corporate banking. Mr John Barke is made managing director of Standard Chartered Leasing, and Mr Alan Michael and Mr Nigel Dougherty are appointed directors of corporate banking.

Mr Brian Jones has been appointed deputy chairman, and Mr Michael Gibson chief executive at KEYWEST FINANCIAL HOLDINGS.

Mr Mark Brown has been appointed a director of ANDREW DERRICK PUBLIC RELATIONS.

Mr Tim Crammond has been appointed managing director of Barclays de Zoete Wedd's Australian stockbrokers, BZW MEARES. He joined the company, then Meares & Philips, in 1984 and has been the director responsible for the equities division. Mr Brian France will remain executive chairman.

ROBSON RHODES has appointed Mr Bill McKenzie as a senior tax consultant, London. He was a tax partner with Price Waterhouse.

RUSH & TOMPKINS has appointed Mr Neil Tansingley as a local director of the Northern and North Midlands regional offices, and of the national projects division. He was regional accountant.

STRAUSS TURNBULL & COMPANY has appointed Mr Peter Hogarth as operations director from April 1, when he will also join the executive committee. He is a general practise partner with Peat Marwick McLintock.

Mr Mike Kelly has been appointed a director of RENDAL PALMER & TRITTON (WALES), a High-Point Rendel company. He is a project director with the Department of Transport.

THE NEW ZEALAND MEAT PRODUCERS' BOARD, London, has restructured its management. Mr Ian Singleton is now Middle East and Africa director. Mr David Wright continues Europe director, and Mr John Mabb UK market services director.

Dr Caroline Jackson, MEP for Wiltshire, has been appointed a non-executive director of FLEET TALENT MOTOR COMPANY.

CONTRACTS

Improvements for three Marks & Spencer stores

Three contracts have been awarded to BOVIS CONSTRUCTION to manage major enlargements and improvements, totalling £12.5m, at Marks & Spencer stores in Norwich, Fareham and London's Oxford Street. In Norwich, Bovis will fit out a former Woolworth's store to provide 42,000 square feet of extra sales space at ground, first and second floor levels, adjoining Marks & Spencer's existing stores. New offices will be provided on the third floor and second floor staff quarters will be extended, together with the installation of new lifts and escalators. A further 3,800 square feet of stockroom space, including a new cold store, will be fitted out in a separate building and the work is due for completion in November.

The Fareham contract involves the conversion of a first floor stockroom to a new sales floor of 13,000 square feet, equipped with new escalators and stairs. On the ground floor the existing sales area will be modernised and extended to enlarge the food retailing area. Building work will begin in February and finish in June. In Oxford Street a new second floor of 12,000 square feet is to be added to the penthouse store, together with new escalators and stairs, providing a significant increase in the retailing area. Extensive roof ductwork will be re-sited in the new ceiling void and the 10 month contract will be completed in October.

Housing refurbishment

BULLOCK CONSTRUCTION has been awarded almost \$7m worth of refurbishment contracts. The contracts secured are for: Stafford Borough Council - re-ladging and repairs to two blocks of flats, value \$343,000; Slough Borough Council - roof truss repairs and re-roofing to 133 houses at Chalvey, where the 32-week contract is valued at \$486,000; Leicester City Council environmental works at the St Margaret's area of the city valued at \$121,000. The Property Services Agency, south east region - has awarded a contract value over \$2m for major rebuilding works at Queen Elizabeth Barracks, Guildford, where work will

commence on the 65-week contract soon. Another order from the Property Services Agency, this time in the eastern region, is for a 56-week contract to modernise 150 married quarters at RAF Wittering, valued at \$2.7m, which will commence mid-February. For Coventry City Council - a further phase of housing modernisation at Stoke Heath, valued at \$318,000, is scheduled for completion in October; while for Wrexham Maelor Borough Council - work has started on a \$170,000 contract to replace front and back doors and install central heating to 101 homes. This contract is due for completion in 17 weeks.

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK. In re: TEXACO INC., TEXACO CAPITAL INC., TEXACO CAPITAL N.V., Debtors. Jointly Administered Chapter 11 Case Nos. 87 B 2012 (HS), 87 B 2013 (HS), 87 B 2014 (HS). NOTICE TO CREDITORS AND EQUITY SECURITY HOLDERS (A) CONCERNING VOTING ON JOINT PLAN OF REORGANIZATION AND (B) FIXING DATE, TIME AND PLACE FOR HEARING ON CONFIRMATION OF JOINT PLAN OF REORGANIZATION. TO ALL CREDITORS, INDEBTURE TRUSTEES, FISCAL AGENTS, EQUITY SECURITY HOLDERS AND PARTIES IN INTEREST: NOTICE IS HEREBY GIVEN that: 1. On January 29, 1988, the United States Bankruptcy Court for the Southern District of New York (the "Court") entered an order (the "Order") approving the second amended disclosure statement (the "Disclosure Statement") in respect of the Second Amended Joint Plan of Reorganization (the "Plan") filed by Texaco Inc., Texaco Capital Inc., Texaco Capital N.V. (collectively, the "Debtors") and Pennzoil Company. Pursuant to the Order, copies of the Plan and Disclosure Statement will be mailed to all known creditors of the Debtors and equity security holders of Texaco no later than February 22, 1988. Ballots for voting to accept or reject the Plan will also be mailed to Texaco's equity security holders. If you were a Texaco equity security holder of record on January 29, 1988 and have not received the necessary documents by February 24, 1988, you may obtain the Plan, the Disclosure Statement and a ballot for voting on the Plan by telephoning Texaco at: (914) 255-6613.

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COMMODITIES AND AGRICULTURE

Ministry defends Chernobyl response

THE UK Government has rebutted the sharply critical report by the Country Landowners' Association on the handling of the aftermath of the Chernobyl nuclear accident.

Bridget Bloom outlines the problems confronting today's AGM NFU faces up to political change

IT USED to be said that the Church of England was the Tory party at prayer but that description, according to Sir Geoffrey Howe, the Foreign Secretary, "can now more accurately be applied to the National Farmers' Union."

European Community's common agricultural policy and partly because of poor harvests. They also face a particularly uncertain future due to the failure of EC governments to agree on the far-reaching reforms they have been discussing for so long.

Mr Gourlay, who took over as NFU President two years ago, acknowledges that the changes in farming's place in the body politic have affected the union itself and made his own job much more complex.

Mr Gourlay accepts that the EC 27th (18th) which goes to finance the CAP is too high a proportion of the total EC budget of some Ecu 41bn.

Aluminium scrap 'increasingly important'

ONE OF the major developments in the aluminium industry during the past ten years has been the increase in the importance of scrap recovery, says Shearson Lehman Brothers' London Metals Research Unit, in its latest review.

Still no guidance on what to grow

AROUND Christmas I wrote a rather smug column saying just how well the mid season was suiting my farming - but I spoke too soon.

By John Cherrington

quota situation and suddenly find that those who were not called upon to fill a shortfall.

It is again this background that the National Farmers Union is meeting in London this week. Long gone are the days when the late Lord Netherthorpe, its long time president, could almost demand entry to the Cabinet room, or when shepherds could shout down the Minister of Agriculture until he became redundant at the next election.

China's grain imports double to record level

CHINA'S 1987 grain imports were a record 16,996m tonnes, up from 7.73m in 1986 and the previous record of 15,673m in 1982, customs figures show.

Further gains for freight futures

THE BALTIMORE International Freight Futures market had another active day yesterday, with fresh records being achieved, writes our Commodities staff.

COFFEE PRICES

Table with columns: Coffee, Previous, High/Low. Rows include Arabica, Robusta, and various grades.

COCONUT PRICES

Table with columns: Coconut, Previous, High/Low. Rows include various grades and quantities.

SPOT MARKETS

Table with columns: Commodity, Price. Rows include oil, sugar, and various metals.

WORLD COMMODITIES PRICES

Large table containing various commodity prices including LONDON METAL EXCHANGE, SUGAR MARKETS, LONDON BULLION MARKET, and various metals.

US MARKETS

Table with columns: Commodity, Price. Rows include COCOA OIL, HEATING OIL, COFFEE, and various oil products.

Chicago

Table with columns: Commodity, Price. Rows include SOYBEANS, WHEAT, and various grain products.

Handwritten Arabic text at the bottom of the page.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling quiet but nervous

STERLING CHARTED a relatively neutral course in currency markets yesterday, unaffected by a rise in interest rates and lower equity prices. A strike by Ford workers and a spate of other industrial disputes failed to have an immediate effect but dealers were a little anxious for sterling in the longer term.

Some analysts pointed out that the situation now was a lot different from in the late 70s when industrial disputes inevitably hit the pound. The UK economy shows signs of being much leaner and fitter than a decade ago. In addition, with the UK budget next month likely to present a balanced budget and a cut in personal taxation, there seemed to be little immediate reason to sell sterling short.

Indeed, the odds are still firmly on the next move in base rates as being upwards. But as Mr Nick Parsons at Union Discount agreed, the Bank of England's assertive move in raising base rates earlier this month took the market by surprise and gave the authorities the upper hand. This is not something they will readily wish to surrender. A rise in base rates, pressured from the market, would resurrect

previous suggestions of the tail wagging the dog. Sterling's exchange rate index finished at 74.1, unchanged from the opening and only slightly down from Friday's close of 74.2. Against the dollar it closed at \$1.7640 from \$1.7565 and was lower against the D-Mark at DM2.9726 from DM2.9800. It also lost ground against the yen to ¥225.76 from ¥226.26 and finished elsewhere at SF2.4300 from SF2.4400 and FF10.0375 compared with FF10.0600.

The dollar finished below the day's highs, having failed to establish itself above DM1.70. Friday's rally did not provide any further impetus and in the light of today's FOMC meeting, and Friday's release of December trade figures, short-term investors were content to take profits and then remain on the sidelines.

Consequently the US unit drifted down from early highs but remained within quite a tight range. Against the D-Mark it finished at DM1.6950, down from a high of DM1.7065 and Friday's close of DM1.6980.

Against the yen it closed at ¥228.65 from ¥228.95, having peaked at ¥229.45. Elsewhere it closed at SF1.9855 from SF1.9905 and FF6.7225 compared with FF6.7300. On Bank of England figures, the dollar's exchange rate index was quoted at 84.9 from 85.0.

JAPANESE YEN-Trade trading range against the dollar in 1987/88 is 169.45 to 121.55. January average 127.77. Exchange rate index 240.5 against 214.1 six months ago.

Firmer US bonds helped to push the dollar higher in Tokyo but it quickly lost its sparkle on approaching the ¥228.50 level. The US unit closed at ¥229.30 from ¥229.35 in New York on Friday. Most traders agreed that the dollar was unlikely to move strongly in either direction until after US trade figures for December are released on Friday. In addition Japanese trade figures for January are released on the same day and are expected to show a continuation of the steady decline in the Japanese trade surplus.

FINANCIAL FUTURES

Steadier tone after initial fall

THE MOOD of yesterday's life market never really threatened to match the sombre note of last October 19, but was sufficiently bad for one analyst to dub it 'slate grey Monday'.

Traders entered the market with hatches firmly battened down, after a deluge of bearish press comment over the weekend. Equities were marked down sharply and only paused for breath after the cash FT-SE 100 index fell below 1,700. Three-month sterling deposits and long gilt futures were not far behind as pressure increased for another rise in

bank base rates. As it became obvious that resistance levels were likely to be swept aside, traders were queuing up at the start of business to sell. However after an initial flurry of sell orders, which confirmed these fears, trading tended to fizzle out.

The market expected but did not receive any lead from the Bank of England, and this left many traders scratching their heads, a dealer volunteered. As the dust started to settle, some analysts viewed the sudden change of heart over the weekend as being irrational. UK

producer prices for January were higher by 0.7 p.c. but the year-on-year rate fell to 3.8 p.c. by just 0.2 p.c. In addition retail sales in December were revised back to flat from earlier estimates which suggested a fall of 1.1 p.c.

This prompted Mr Stephen Hannah, economist at County NatWest, to suggest that with good growth (as shown by retail sales) and a low rate of inflation, which remains reasonably under control, yesterday's fears on interest rates were probably overdone.

Table with columns: Strike Price, Call, Put, etc. for various futures contracts like LFFE LONG GILT FUTURES OPTIONS.

Table with columns: Strike Price, Call, Put, etc. for LFFE US TREASURY BOND FUTURES OPTIONS.

Table with columns: Strike Price, Call, Put, etc. for LFFE FT-SE 100 INDEX FUTURES OPTIONS.

£ IN NEW YORK

Table showing exchange rates for £ in New York for various currencies.

STERLING INDEX

Table showing Sterling Index values for various currencies.

CURRENCY RATES

Table showing currency rates for various countries like US Dollar, Canadian Dollar, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot - Forward Against the Pound for various currencies.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot - Forward Against the Dollar for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies.

OTHER CURRENCIES

Table showing other currencies like Argentine, Australian, etc.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

MONEY MARKETS

UK rates move up

INTEREST RATES rose sharply in London yesterday as confidence came a nose dive. The sharp acceleration in a market already suffering from a bearish undertone, was exacerbated by press comments over the weekend. These highlighted recent industrial unrest and gave prominence to suggestions by some leading analysts that base rates were likely to rise further in the first half of this year.

UK clearing bank base lending rate 9 per cent from February 2

The key three-month inter-bank rate rose to 8 1/2 p.c. at one point, up from 8 p.c. at one point, before finishing at 8 1/4 p.c. The yield curve offered small comfort, with only a small sign of flattening out. As the one year rate moved up to 8 1/4 p.c. from 8 p.c. p.c. Overnight money opened at 7 1/2 p.c. and moved up to 8 p.c. before slipping to a low of 4 p.c. However late balances were taken up to 8 p.c.

made at the Bank's intervention rate of 8 1/2 p.c. and some in stages up to 9 p.c. The sharp acceleration in a market already suffering from a bearish undertone, was exacerbated by press comments over the weekend. These highlighted recent industrial unrest and gave prominence to suggestions by some leading analysts that base rates were likely to rise further in the first half of this year.

UK clearing bank base lending rate 9 per cent from February 2

The forecast was revised to a shortage of around \$500m and the Bank gave assistance in the morning of \$627m through outright purchases of \$351m of eligible bank bills in hand at 8 1/4 p.c. and in hand at 8 1/4 p.c. and in hand at 8 1/4 p.c. Banks also brought forward balances of \$10m below target. These were partly offset by a fall in the note circulation.

LONDON

Table showing London market data for various currencies.

CHICAGO

Table showing Chicago market data for various currencies.

FT-SE 100 INDEX

Table showing FT-SE 100 Index values for various currencies.

PHILADELPHIA SE 2 1/2% OPTIONS

Table showing Philadelphia SE 2 1/2% Options for various currencies.

LIFFE EURO-DOLLAR OPTIONS

Table showing Liffe Euro-Dollar Options for various currencies.

U.S. TREASURY BILLS (MM)

Table showing U.S. Treasury Bills (MM) for various currencies.

U.S. TREASURY BONDS (MM)

Table showing U.S. Treasury Bonds (MM) for various currencies.

U.S. TREASURY BILLS (MM)

Table showing U.S. Treasury Bills (MM) for various currencies.

U.S. TREASURY BONDS (MM)

Table showing U.S. Treasury Bonds (MM) for various currencies.

JAPANESE YEN (MM)

Table showing Japanese Yen (MM) for various currencies.

DEUTSCHE MARK (MM)

Table showing Deutsche Mark (MM) for various currencies.

THREE-MONTH EURO-DOLLAR

Table showing Three-Month Euro-Dollar for various currencies.

STANDARD & POOR 500 INDEX

Table showing Standard & Poor 500 Index for various currencies.

SWISS FRANC (MM)

Table showing Swiss Franc (MM) for various currencies.

U.S. TREASURY BILLS (MM)

Table showing U.S. Treasury Bills (MM) for various currencies.

Advertisement for 'In Good Company' featuring key rings, cuff links, enamel badges, paperweights, and medals. Includes contact information for Manhattan-Windsor.

Advertisement for 'Small Business' and 'Educational' services. Includes contact information for Brett Trafford and Financial Times.

Advertisement for 'I.G. INDEX LTD' located at 9-11 Grosvenor Gardens, London SW1W 0BD. Includes contact information.

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on Monday, February 8, 1988. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Large table showing the World Value of the Pound, listing various countries and their currencies with corresponding exchange rates.

Advertisement for 'TRADE INDEMNITY EXPORT CREDIT INSURANCE' with contact information for 01-753-00939.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, May 88, Vol, Last, Aug 88, Stock. Lists various options series and their trading volumes and prices.

Table with columns: Series, Vol, Last, May 88, Vol, Last, Aug 88, Stock. Continuation of European options exchange data.

TOTAL VOLUME IN CONTRACTS: 18,173

Ask Bid Call Put

BASE LENDING RATES

Table listing base lending rates for various banks and currencies, including columns for bank names and interest rates.

TOWARDS THE CAR OF THE FUTURE

The Financial Times proposes to publish this survey on: 24th March 1988. For a full editorial synopsis and details of available advertisement positions, please contact: Colin Davies on 01-236 1434.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FT CROSSWORD No.6,551 SET BY DANTE

Crossword puzzle grid with numbers 1-29 indicating starting positions for clues.

ACROSS 1 Sort of survey of games? (8) 2 Soul mate of Eros (8) 3 Place on one side? Correct (3,5) 4 Risks one gets at home with dogs (6) 5 Two points, say, for a shot (6) 6 Unusually like the story with a moral that defies description (9) 7 These children are scatter-brains (6) 8 A professor of infinite wisdom (4,3) 9 Leader apt to give murderer a break (7) 10 Diffident in two ways (6) 11 A new local order for a grant (9) 12 It's poisonous so mother gets a doctor in (6) 13 Breaks arranged for those who work in a hot place (8) 14 One suspended from the works for timekeeping (8) 15 Hemingway or Sterne, perhaps (6) 16 Obtrusively robs a bank (6,2)

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts, including columns for trust names, managers, and other details.

FT UNIT TRUST INFORMATION SERVICE

Large table listing unit trust information, including columns for trust names, managers, and other details.

Handwritten Arabic text at the bottom of the page.

Handwritten note: "Wolff's" in a box.

FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, organized by company and fund name. Includes columns for fund names, values, and other financial metrics.

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment services and funds.

MANAGEMENT SERVICES

Table listing management services and related financial data.

Handwritten Arabic text at the bottom center of the page.



Handwritten text: "40% in 10/10"

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Manager, Assets, and Performance.

Table of London Share Service, listing various shares and funds with columns for Name, Price, and other financial metrics.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies with columns for company name, price, and change. Includes companies like IBM, General Electric, and Ford.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sector with columns for company name, price, and change.

DRAPERY AND STORES - Contd

Table listing companies in the drapery and stores sector with columns for company name, price, and change.

ENGINEERING - Contd

Table listing companies in the engineering sector with columns for company name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies with columns for company name, price, and change.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial companies with columns for company name, price, and change.

CANADIANS

Table listing Canadian companies with columns for company name, price, and change. Includes companies like Alcan, Inco, and Northern Telecom.

CONTR

Table listing companies under the 'CONTR' category with columns for company name, price, and change.

ELECTRICALS

Table listing electrical companies with columns for company name, price, and change.

ENGINEERING

Table listing engineering companies with columns for company name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies with columns for company name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies with columns for company name, price, and change.

BANKS, HP & LEASING

Table listing banks, hire purchase, and leasing companies with columns for company name, price, and change.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for company name, price, and change.

DRAPERY AND STORES

Table listing companies in the drapery and stores sector with columns for company name, price, and change.

ENGINEERING

Table listing engineering companies with columns for company name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies with columns for company name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies with columns for company name, price, and change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for company name, price, and change.

BUILDING, TIMBER, ROADS

Table listing companies in the building, timber, and roads sector with columns for company name, price, and change.

DRAPERY AND STORES

Table listing companies in the drapery and stores sector with columns for company name, price, and change.

ENGINEERING

Table listing engineering companies with columns for company name, price, and change.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial companies with columns for company name, price, and change.

INSURANCES

Table listing insurance companies with columns for company name, price, and change.

Handwritten Arabic text at the bottom of the page.

LONDON SHARE SERVICE

Handwritten note: 10/1/10/10

INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, London & Lancashire, and others.

LEISURE

Table listing leisure-related companies such as British Skyways, British Airways, and others.

MOTORS, AIRCRAFT TRADES

Table listing companies in the motor and aircraft trades, including Rover, Leyland, and others.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies like News International, Newsprint, and others.

PAPER, PRINTING, ADVERTISING

Table listing companies in the paper, printing, and advertising sectors.

PAPER, PRINTING, ADVERTISING - Contd

Continuation of the paper, printing, and advertising companies table.

PROPERTY

Table listing real estate and property-related companies.

SHIPPING

Table listing shipping and maritime companies.

SHOES AND LEATHER

Table listing companies in the shoes and leather industry.

SOUTH AFRICANS

Table listing South African companies.

TEXTILES - Contd

Continuation of the textiles companies table.

TOBACCO

Table listing tobacco companies.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies.

TRUSTS, FINANCE, LAND - Contd

Continuation of the trusts, finance, and land companies table.

FINANCE, LAND

Table listing finance and land companies.

OIL AND GAS

Table listing oil and gas companies.

OIL AND GAS - Contd

Continuation of the oil and gas companies table.

OVERSEAS TRADERS

Table listing overseas trading companies.

PLANTATIONS

Table listing plantation companies.

MINES

Table listing mining companies.

MINES - Contd

Continuation of the mining companies table.

MISCELLANEOUS

Table listing miscellaneous companies.

THIRD MARKET

Table listing third market trading data.

NOTES

Notes section providing additional information and commentary on the market data.

LONDON STOCK EXCHANGE

Government bonds and equities fall heavily on interest rate uncertainty

Account Dealing Dates... THE CITY OF London's renewed concerns over inflation and interest rates deepened significantly yesterday as Ford Motor's UK plants were halted by the first strike for a decade.

Bond prices fell by nearly two points initially as the City anxiously awaited the deadline for a base rate move. Selling was light, however, with little sign of retail pressure.

With the Ford strike under way from midnight on Sunday, the securities markets opened on the downswing, and quickly extended their losses. At its worst point, the equity market was just over 50 points off an earlier opening on Wall Street took the heart out of London at the close.

British Telecom dipped 5 to 234p, after 22p and attracted a turnover of 50 shares; Chase Manhattan Securities were again strong buyers of the stock after re-iterating their "buy" recommendation ahead of the third quarter figures scheduled for February 25.

The final reading on the FT-SE 100, at 1694.5, showed a loss on the day of 43.3 points, with the loss of 2.5 per cent representing a fall of 59.23bn in equity market values, according to Datastream.

Legal and General picked up well late to settle off at 257p in the wake of substantial switching into the shares from Prudential - a move recommended by BZW and UBS Phillips and Drew.

Government bonds were in a similarly negative mood as they moved into a week to be featured on Friday by both the latest US trade figures, and also the UK Retail Price Index, the chief indicator of domestic inflation.

The clearer, where the first of the preliminary reports, those of NatWest, are due on February 23, remained unsettled and Barclays dipped 14 to 450p, Midland 22 to 380p, West 20 to 575p and Lloyds 9 to 240p.

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Secs, Fixed Interest, Ordinary V, Gold Min, etc. and their values for Feb 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1987/88, and 1987/88 High/Low.

London Report and Latest Share Index: TEL. 01-0896 123001

Friday's disclosure that Hillsdown Holdings had built a 3.57 per cent stake in the company failed to sustain Tate and Lyle yesterday which fell away to close 17 lower at 78p.

where the shares even recently had been suffered from profits downgradings after the October weather storms, fell to 375p before rallying to close a net 12 down at 382p despite the fact that it is believed to have purchased reinsurance of around 275m from January 1 this year.

on prospects for the whisky market from the Scottish broking house of Campbell Neill, a subsidiary of Hoare Govett Financial Services.

Suppliers to the motor industry came under fresh selling pressure as the market began to worry about the repercussions from the Ford Motor industrial dispute.

FT - ACTUARIES INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Monday February 8 1988, and various sub-sections like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table with columns for PRICE INDICES, Mon Feb 8, Day's change, Fri Feb 5, and various interest rates for different terms.

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LONDON TRADED OPTIONS

Table with columns for CALLS and PUTS, various stock options like Airtel, B.P., BZW, etc., and their respective prices and volumes.

Friday's disclosure that Hillsdown Holdings had built a 3.57 per cent stake in the company failed to sustain Tate and Lyle yesterday which fell away to close 17 lower at 78p.

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fell 10 to 817p. Acquisition news failed to help AAR which dipped 14 to 287p but Smiths Industries, down 6 at 224p held up reasonably well after news of the US Navy contract for the supply of avionics equipment for the T45 Gosawk jet trainer.

where the shares even recently had been suffered from profits downgradings after the October weather storms, fell to 375p before rallying to close a net 12 down at 382p despite the fact that it is believed to have purchased reinsurance of around 275m from January 1 this year.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various major stocks like ASDA-MFI, Airtel, B.P., etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls for various categories like British Funds, Corporate Bonds, etc.

FIXED INTEREST STOCKS

Table showing fixed interest stocks like British Government, Insurance, etc.

EQUITIES

Table showing equities like ASDA-MFI, Airtel, B.P., etc.

RIGHTS OFFERS

Table showing rights offers for various companies like ASDA-MFI, Airtel, etc.

London's Airports... The Financial Times proposes to publish this survey on 18th March 1988.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

Handwritten note: "World Markets"

WORLD STOCK MARKETS

Table of stock market data for Australia, France, Germany, Netherlands, Sweden, and Switzerland. Columns include country, stock name, price, and change.

CANADA

Table of stock market data for Canada, including Toronto and Montreal markets. Columns include stock name, price, and change.

Table of stock market data for Japan, South Africa, and Hong Kong. Columns include stock name, price, and change.

OVER-THE-COUNTER

Table of over-the-counter market data, including Nasdaq national market closing prices. Columns include stock name, price, and change.

Indices

Table of stock indices for New York, Canada, and other regions. Columns include index name, value, and change.

CHIEF LONDON PRICE CHANGES YESTERDAY

Table of price changes for various commodities and currencies in London. Columns include item name, price, and change.

TOKYO - Most Active Stocks

Table of most active stocks in Tokyo. Columns include stock name, price, and change.

Advertisement for Helsinki & Espos, featuring the slogan 'Have your F.T. hand delivered...' and contact information.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized by sector and alphabetically within each sector. Columns include stock name, price, and change.



NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, P/E, High, Low, and Change. Includes sub-sections for 'Continued from Page 38' and 'Over-the-Counter'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock, P/E, High, Low, and Change. Includes sub-sections for 'Over-the-Counter' and 'Nasdaq national market, closing prices'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter Nasdaq national market closing prices. Columns include Stock, Sales, High, Low, and Change. Includes sub-sections for 'Over-the-Counter' and 'Nasdaq national market, closing prices'.

Advertisement for Lisboa 887844. Text: 'Have your F... hand delivered... at no extra charge, if you work in the business centres of LISBOA & PORTO... Lisboa 887844. And ask Roberto Alves for details.'

